



Report of Asseco Poland S.A.

on non-financial information for 2021

asseco

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INTRODUCTION

We are presenting hereby the report of Asseco Poland S.A. (hereinafter "Company", "Parent Company", "Asseco Poland") on non-financial information for the year 2021 (hereinafter "report"), which includes non-financial information concerning the Company for the period from January 1, 2021 to December 31, 2021. The report has been prepared taking into account the provisions of the Accounting Act of September 29, 1994, the European Commission's guidelines on reporting non-financial information as well as the national Standards on Non-Financial Information (SIN) and the international guidelines of the Global Reporting Initiative (GRI).

The selection and description of the policies as well as the performance indicators presented in the report was made on the basis of the materiality criterion, taking into account the internal and external factors relating to the Company's operations. The main factors considered during the materiality assessment were:

- the sector in which the Company operates,
- its business profile and market environment,
- the extent of impact on the local community and environment,
- stakeholder expectations.

The data presented in the report are reviewed and updated at annual reporting periods and published regularly with the reports for subsequent fiscal years.

1. DESCRIPTION OF THE COMPANY AND ITS BUSINESS MODEL

Asseco Poland S.A.

Asseco Poland is a leading Polish IT company listed on the Warsaw Stock Exchange (WSE) and a parent company of the international Asseco Group. Asseco Poland combines the competencies of a software and services company and a producer of technologically advanced software. Both the Parent Company and the Group cooperate with companies and institutions from key sectors of the economy, including the power industry, banking, insurance, telecommunications, public administration and healthcare.

Asseco Poland operates the following management systems:

- ISO 9001:2015 (quality management system),
- ISO/IEC 27001:2013 (information security management system),
- ISO 22301:2012 (business continuity management system),
- ISO 14001:2015 (environmental management system),
- AQAP 2110:2016 (quality assurance system for design, development and production for suppliers of products and services to NATO countries) and AQAP 2210:2015 (requirements complementary to AQAP 2110 for software quality assurance),
- WSK certificate (system for conducting trade in goods and services of strategic importance).

These systems are certified to the standard in areas that are interested in obtaining such confirmation by an external entity.

Development strategy

Owing to the strategy focused on building expert competence and development of proprietary products, the Company has gained and maintained the position of a leader in the IT market in Poland, and thanks to the Group's growth, also of the largest provider of modern IT solutions in the region of Central and Eastern Europe.

Asseco Poland's strategy focuses on building long-term value for our stakeholders. It is based on two main pillars: developing proprietary software and services as well as scaling up through acquisitions.

Asseco Poland's organic growth strategy is focused on the provision of a broad range of proprietary IT solutions and services. The Company's operations are based on sectoral technological and business competencies. Asseco Poland offers comprehensive solutions for entire sectors of the economy, and also sells standardized products for smaller entities.

For many years Asseco Poland has pursued an effective acquisition policy at home and abroad. Since 2004, the Company has successfully completed over 115 acquisitions, repeatedly increasing the scale of its business and geographic reach.

In its acquisition activities, the Company focuses on increasing its competence in core business sectors, entering new geographical markets or reinforcing the position of the whole Asseco Group in countries where it has been already present.

Mission and vision

The mission of Asseco Poland is to improve the quality of life by providing solutions for people and technologies for business.

According to the vision:

- Asseco Poland wants to be reliable and fast, with the best product and service to support customers around the world in achieving their goals. Its employees form a competent, passionate team combining traditional values with modern operations,
- the Company is building an international group of technology companies whose federation model allows it to take advantage of local entrepreneurship and market knowledge, while the company's affiliation with the group increases its execution capabilities and credibility with demanding clients.

Strategic objectives in key areas

Marketplace

- targeting the financial, health, corporate and government sectors, at home and abroad,
- development and delivery of software-based solutions in areas of key importance to the Company's customers' business,
- striving to build recurring solutions to achieve appropriate margin levels while maintaining competitive pricing levels,
- striving for a stable source of revenues from the maintenance and development of supplied software, by retaining in the Company and protecting copyrights to the solutions it develops,
- providing SaaS solutions based on proprietary software.

Organization

- business areas dedicated to serving different market sectors,
- great diversity, as a consequence of the different needs, specificities and development phases of each sector,
- supporting all initiatives to exchange knowledge and experience between areas,
- a catalog of shared values and a vision, mission, strategy that can be detailed by business areas,
- back-office processes common to all areas to support business objectives,
- investment in research and development (R&D).

People

- viewing people as the organization's greatest asset,
- high level of expertise and utilization of team potential,
- investment in the development of high-level expert and sectoral competencies,
- accumulating knowledge and experience by maintaining a stable team,
- promoting initiative and innovative approaches.

Corporate social responsibility (CSR)

- taking care of important community interests,
- support of Polish sport,
- outreach,
- environmental protection activities.

Market position of the Company

Asseco Poland is the largest IT company in the country focused on sales of proprietary software and services. When analyzed by sectors, Asseco Poland is a leader or one of the leading suppliers in the key segments of its business operations.

The Company's strong market position has been confirmed in the latest Computerworld TOP200 report, which is a comprehensive survey of the Polish ICT market. Asseco Poland once again became the largest IT capital group operating in Poland, thus becoming a national leader in digitization. The company won in a total of five categories in this year's report.

Table 1. Asseco Poland in the Computerworld TOP200 ranking

Category	Ranking position
The largest IT capital groups operating in Poland - Leaders of digitization in Poland	1
The largest providers of IT solutions and services for the public administration and uniformed services sector	1
The largest providers of IT solutions and services for large companies and enterprises	1
The largest providers of custom software	1
The largest providers of servicing	1
IT companies with the highest net profit	2
Companies with the highest R&D spending	2
The largest providers of IT solutions and services for the healthcare sector	2
The largest providers of integration services	2
The largest suppliers of IT solutions and services for the banking sector	3
The largest providers of IT solutions and services for the telecommunications sector	3
The largest providers of IT services	3
The largest providers of IT solutions and services for the energy sector	4
The largest providers of Business Intelligence, Big Data and Data Discovery systems	4
IT companies with the largest workforce	5

Source: Computerworld TOP200, Ranking of IT and Telecommunications Companies, Edition 2021, ranking by sales generated in 2020.

Asseco Poland was also a leader in five categories of the ITwiz Best100 ranking, which is a list of the largest IT companies in Poland.

Table 2. Asseco Poland in the ITwiz BEST100 ranking

Category	Ranking position
Revenues of major IT capital groups 2020	1
IT companies with the largest sales to government and uniformed services in 2020	1
Companies with the largest sales to large companies in 2020	1
Companies with the largest revenues from the sale of maintenance services in Poland in 2020	1
Companies with the largest revenues from the sale of integration services in Poland in 2020	1
IT companies with the highest net profit in 2020	2
The largest companies with Polish capital selling their proprietary products and services in 2020	2
Companies with the highest revenues from the sales of IT services in Poland in 2020	2
Companies with the largest revenues from the sales of custom software in Poland in 2020	2
IT companies with the largest sales to the banking sector in 2020	2
Companies with the largest sales to the telecom sector in 2020	2
Companies with the largest sales of analytics and big data solutions in 2020	3
Companies with the largest sales to the healthcare sector in 2020	3
Companies with the largest sales to the energy sector in 2020	4
Companies with the largest CRM software sales in 2020	5

Source: ITwiz BEST100, Edition 2021, ranking by sales achieved for 2020.

Other awards and honors received in 2021:

- 1st place in the "Large Companies" category in the "Ethical Company" ranking prepared by the Puls Biznesu daily,
- 1st place in the ICT sector in the "Most Valuable Polish Brands" ranking prepared by the Rzeczpospolita daily,
- 1st place in the "IT@Bank" ranking prepared by the "Bank" financial monthly,
- 2nd place in the "Software Producers" category in the "Top Brand 2021" competition prepared by the Press magazine and Press Service,
- 3rd place in the ranking of "The biggest CIT payers" prepared by the Puls Biznesu daily,
- 3rd place in the ranking "Polish ambassadors" prepared by the Wprost weekly,
- 3rd place in the part conducted among institutional investors and analysts and 5th place in the part dedicated to individual investors in the "Best Investor Relations of WIG30 Companies" ranking prepared by the Parkiet daily and the Chamber of Brokerage Houses,
- ranked 3rd in the "Largest Polish Private Investors Abroad 2021" ranking compiled by the Forbes magazine,
- 3rd place in the "National Champions" ranking compiled by the Polityka Insight portal,
- Gabriela Żukowicz at the 5th place in the ranking of "100 Women in Business" prepared by the daily newspaper Puls Biznesu,

- 6th place in the ranking "Largest Polish private dividend companies 2021" prepared by the Forbes magazine,
- 11th place in the ranking of "100 largest Polish private companies" prepared by the Forbes monthly,
- 12th place in the ranking of "200 largest Polish companies" prepared by the Wprost weekly,
- Adam Góral at the 14th place in the "Valuation of Polish Managers" ranking prepared by the Parkiet daily and Martis Consulting,
- 21st place in the "List of 500" ranking prepared by the Rzeczpospolita daily,
- 40th place in the "TOP 500 CEE" ranking compiled by Coface,
- award in the "50 Most Influential People in the Polish Economy" competition for Adam Góral granted by the Dziennik Gazeta Prawna daily,
- award in the category "The Outstanding FinTech Innovator in Central and Eastern Europe for 2021" to Asseco Customer Intelligence in the "The Innovators 2021" competition organized by Global Finance,
- "Best Financial Innovation Lab" award for the Data Science & Artificial Intelligence team" in Global Finance's "The Innovators 2021" competition,
- award in the category "Comprehensive IT company solution dedicated to cooperative banking" for the Common IT Platform (WPI) in the competition "Cooperative Technology of the Year 2020" organized by the Polish Bank Association,
- the only Polish technology brand in the ranking "Europe 500 - The most valuable and strongest European brands" prepared by Brand Finance,
- The title of "Podkarpackie Enterprise of the 20-th century" awarded by the "Nowiny" daily newspaper,
- award for building Asseco Customer Intelligence system based on machine learning and artificial intelligence mechanisms, granted by Lendtech Foundation,
- the only IT company from Poland in the "World's Best Employers 2021" ranking prepared by the Forbes magazine,
- title of "Best Talent Acquisition Team" according to LinkedIn.

The federation model

The Asseco Group operates on the basis of a unique cooperation model – the federation model.

Asseco Poland, as the Parent Company, is a majority shareholder in the companies incorporated within it, but does not seek to hold 100% of shares. The companies which join the Asseco Group maintain a wide range of autonomy in their day-to-day operations; whereas, Asseco Poland sets the strategic directions of their development, establishes the objectives and supervises their achievement.

The company is primarily interested in profitable entities with specialized and committed staff. Furthermore, acquisitions by Asseco Poland aim to enhance our competence in the key sectors of business operations, enter new geographical markets, or strengthen the position of the whole Asseco Group in the countries where it has been already present.

Functioning in a federation model is based on mutual trust and clearly defined rules of cooperation.

This model of cooperation creates room for sales and cost synergies in the Group's operations. Its activities are geared towards the long-term improvement of the performance of its component companies.

Management structure

The General Meeting of Shareholders is the Company's highest authority and operates in accordance with the principles set forth in generally applicable laws as well as in the Company's Articles of Association.

The manner of functioning of the General Meeting is described in detail in the Bylaws of the General Meeting, adopted by the General Meeting of the Company on September 21, 2011. The Articles of Association and the Bylaws of the General Meeting of the Company have been published on the Company's website.

The description of the Management Board's, Supervisory Board's and Audit Committee's operations, apart from the scope explicitly described in mandatory provisions of law, has been included in the Management Board Bylaws and in the Supervisory Board and Audit Committee Bylaws, respectively for the Management Board and for the Supervisory Board, which have been published on the Company's website.

Management Board

The composition of the Management Board along with the division of responsibilities in 2021 is shown in the table below.

Table 3. Division of responsibilities among the Members of the Management Board of Asseco Poland

Member of the Management Board	Responsibilities
Adam Góral President of the Management Board	Vision and development strategy of the Capital Group Internal Audit Department
Andrzej Dopierała Vice President of the Management Board	International Organizations and Security Solutions Division Agricultural Insurance Division Infrastructure Project Office ICT Department
Krzysztof Groyecki Vice President of the Management Board	Health Care Division
Rafał Kozłowski ¹	Finance Division of Asseco Poland
Karolina Rzońca-Bajorek ² Vice President of the Management Board	Finance Division of the Asseco Group
Marek Panek Vice President of the Management Board	Capital Group Development Division EU Projects Office
Paweł Piwowar Vice President of the Management Board	Energy and Gas Division Telecommunications and Media Division ERP Project Office
Zbigniew Pomianek Vice President of the Management Board	Commercial Banks Division Cooperative Banks Division PKO BP Division Capital Market Division Business Intelligence Division Asseco Innovation Hub Data Processing Center ³ Operations Service Center ⁴ Asseco Services ⁵
Sławomir Szymtkowski Vice President of the Management Board	Social Insurance Division Systems Maintenance Division Agriculture and Postal Service Division Government Administration Division

¹ until 31.03.2021.

² as of 01.04.2021.

³ until 31.07.2021.

⁴ until 31.07.2021.

⁵ as of 1.08.2021 formed from the merger of the Data Processing Center and the Operational Services Center.

Artur Wiza Vice President of the Management Board	Marketing Department PR and Investor Relations Department
Gabriela Żukowicz Vice President of the Management Board	Administration Department Human Resources Administration Department Legal and Organizational Department Human Resources Department Internal Systems Maintenance and Development Department Purchasing Department Compliance & Process Management Department

On March 23, 2021, Asseco Poland received a letter from Rafał Kozłowski resigning as the Vice President of the Company's Management Board with effect from April 1, 2021. Rafał Kozłowski resigned following his decision to become fully engaged in the affairs of the Asseco Enterprise Solutions Group and to take over the position of the President of the Management Board in Asseco Enterprise Solutions, the parent company of that group.

At the same time, the Supervisory Board, at its meeting on March 23, 2021, appointed Karolina Rzońca-Bajorek to the Company's Management Board, to serve as the Vice President of the Management Board, effective as of April 1, 2021.

Apart from the above-mentioned change, no other changes in the composition of the Asseco Poland Management Board took place in 2021 or until the date of publication of this report.

Additionally, at its meeting held on March 23, 2021, the Supervisory Board passed resolutions on appointment of the Members of the Management Board of Asseco Poland for the new 5-year term of office spanning from 2022 to 2026. Adam Góral was appointed as the Member of the Management Board, the President of the Management Board, while the following persons were appointed as the Vice Presidents of the Management Board: Andrzej Dopierała, Krzysztof Groyecki, Marek Panek, Paweł Piwowar, Zbigniew Pomianek, Karolina Rzońca-Bajorek, Sławomir Szmytkowski, Artur Wiza and Gabriela Żukowicz. The appointment is effective January 1, 2022.

As of January 1 2022, the President of the Management Board, Adam Góral, assumed responsibility for the Telecommunications and Media Division, whereas as of March 1, 2022, Karolina Rzońca-Bajorek assumed responsibility for the newly established Shared Services Center Division.

Supervisory Board

During the reporting period, the Supervisory Board consisted of the following members:

- Jacek Duch – Chairman of the Supervisory Board,
- Adam Noga – Vice Chairman of the Supervisory Board,
- Izabela Albrycht – Member of the Supervisory Board,
- Piotr Augustyniak – Member of the Supervisory Board,
- Dariusz Brzeski – Member of the Supervisory Board,
- Artur Kucharski – Member of the Supervisory Board,
- Piotr Żak – Member of the Supervisory Board.

On May 20, 2021, Asseco Poland held its General Meeting of Shareholders, which determined the composition of the Supervisory Board for the term 2022-2026. Subsequently, at its meeting on January 11, 2022, the Supervisory Board elected its Chairman and Vice Chairman.

Accordingly, effective 2022, the Company's Supervisory Board is composed as follows:

- Jacek Duch – Chairman of the Supervisory Board,

- Adam Noga – Vice Chairman of the Supervisory Board,
- Izabela Albrycht – Member of the Supervisory Board,
- Piotr Augustyniak – Member of the Supervisory Board,
- Dariusz Brzeski – Member of the Supervisory Board,
- Artur Gabor – Member of the Supervisory Board,
- Piotr Maciąg – Member of the Supervisory Board,
- Piotr Żak – Member of the Supervisory Board.

Audit Committee

In 2021, the Audit Committee functioned as follows:

- Artur Kucharski – Chairman of the Audit Committee,
- Piotr Augustyniak – Member of the Audit Committee,
- Jacek Duch – Member of the Audit Committee.

Acting pursuant to Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision and § 8 of the Bylaws of the Supervisory Board of the Company, the Supervisory Board assessed that the independence criteria were met by Piotr Augustyniak and Artur Kucharski, who both had knowledge and skills in financial reporting. Artur Kucharski's competence in financial reporting was confirmed by his professional career to date and his Association of Chartered Certified Accountants (ACCA) diploma. At the same time it was acknowledged that Jacek Duch had knowledge of the industry in which the Company operates, which was confirmed by the course of his professional career.

On January 11, 2022, the Supervisory Board held a meeting to decide on the composition of the Audit Committee:

- Artur Gabor – Chairman of the Audit Committee,
- Piotr Augustyniak – Member of the Audit Committee,
- Jacek Duch – Member of the Audit Committee.

The Supervisory Board, acting pursuant to Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision and § 8 of the Bylaws of the Company's Supervisory Board evaluated the fulfillment of the requirements for the Audit Committee. Artur Gabor and Piotr Augustyniak meet the independence criteria. Additionally, Artur Gabor has knowledge and skills in financial reporting. Jacek Duch and Piotr Augustyniak have knowledge and skills in the industry in which the Company operates.

Internal control, risk management and internal audit systems

Asseco Poland has in place a system of internal controls comprising organizational and hierarchical structure, internal policies, procedures with embedded control mechanisms, and instructions that support effectiveness of the Company's operations. Business unit managers are responsible for the performance and operational efficiency of their subordinate teams, while senior managers are responsible for overseeing the activities of their subordinate units and the results of the processes they own. The internal control system is complemented by separate teams responsible for preparing financial statements and ensuring compliance with legal and other regulations.

The Company has a risk management system based on three lines of defense:

- operational management of risks arising from the activities of the entities,
- risk management by designated roles or units,
- activities of the internal audit unit – the Internal Audit Department.

All employees and co-operators of Asseco Poland are obliged to act in accordance with the internal rules and procedures as well as to perform their duties in accordance with the provisions of law. The Company's informational activities allow them to properly understand the compliance rules and apply them on a daily basis, both in their dealings with customers, suppliers and in mutual relations between employees. Consistency of processes, creation, maintenance and development of compliance policies is supervised by employees and coworkers of the Compliance and Process Management Department through the integrated management system functioning in the company.

The Internal Audit Department of Asseco Poland, operating in accordance with the international standards of professional auditing practice, evaluates the effectiveness of the Company's control environment, risk management and organizational governance. It performs scheduled audits, examining the controls of selected processes to see if they effectively mitigate risk. It also performs *ad hoc* audits, e.g. pre-implementation reviews – commissioned when major process changes are planned in the Company, in order to properly organize control systems before the implementation of the change, as well as – in special cases – explanatory proceedings. It independently reports to the Management Board and the Audit Committee of the Supervisory Board on the status of the control environment and risk exposure, effectively mitigating the negative impact of risk factors and threats on the Company's business.

2. EMPLOYEE ISSUES

Personnel policy

Due to the specific nature of the IT industry and the fact that the success of a company in this industry depends primarily on the knowledge and practical skills of its employees, issues related to employment, employee development and the creation of an appropriate work environment are of key importance to the long-term sustainable development of the Company.

As at December 31, 2021 Asseco Poland employed 2 301 persons, as compared with 2 347 at the end of the previous reporting period. Average employment during the period of 12 months ended December 31, 2021 taking into account salaried positions, i.e. employment in full-time jobs adjusted (less) for jobs for which the Company does not pay remuneration (e.g. unpaid leave, maternity leave, other), amounted to 2 245 versus 2 187 in the period of 12 months ended December 31, 2020.

Table 4. Employment by department as at December 31, 2021

Total employees	Production departments	Sales departments	Administrative departments	General management
2 301	1 891	111	289	10

The goal of the HR Policy is to provide the Company with competent and committed employees and associates, to care for their motivation, so that they can successfully achieve the Company's business objectives, as well as to provide them with development opportunities and a sense of professional stability through clear and transparent rules of operation.

The HR Policy of Asseco Poland is implemented in compliance with the provisions of law as well as internally applied procedures and standards. The basic documents of Asseco Poland regulating the above issues are: the Work Regulations, the Remuneration Regulations, the Regulations of Professional Appraisal and Development, the Regulations of Company Social Benefits Fund, the Personnel Policy, and the Code of Ethics and Business Conduct.

The recruitment process in Asseco Poland respects the principles of equal rights with respect to gender, origin, age, beliefs, and other factors concerning the diversity of candidates. Due to the specificity of the industry, in the recruitment process the greatest importance is attached to the practical knowledge

and qualifications of employees, which affects the selection of people with competencies best suited to a given position. Clearly defined criteria and objective evaluation of qualifications ensure that job applicants have an equal opportunity.

Table 5. Employment by gender as at December 31, 2021

Position type	Women	Men	Women share	Men share
Management Board	2	8	20%	80%
Other management personnel	63	189	25%	75%
Production	516	1 279	29%	71%
Non-production posts	188	56	77%	23%
Total employees	769	1 532	33%	67%

Table 6. Employment by age as at December 31, 2021

Total employees	Up to 30 years	31-40 years	41-50 years	51-60 years	Over 60 years
2 301	349	664	887	328	73

The average salary of women at the company is lower than the average salary of men. This is mainly due to the fact that a larger number of men have longer tenure with the company and a large number of male employees have more experience in the IT industry. In the workforce where industry experience and tenure for men and women are similar earnings levels are equal.

Table 7. Pay equity ratio in 2021*

Position type	Factor
Management Board	82%
Other management personnel	74%
Production	79%
Non-production posts	94%

* The equal pay ratio presents the ratio of the average pay of women to the average pay of men. It includes base salary and all other components such as allowances, bonuses and awards.

The primary form of employment in Asseco Poland is based on an employment contract. In addition, as at December 31, 2021, the Company had 355 employees working under a cooperative agreement, 94 employees working under a contract of mandate and 228 employees providing outsourcing services.

Table 8. People working under a contract of employment in 2021

Share of persons working under a contract of employment
77%

Asseco Poland provides the possibility of performing work through the use of electronic communication means and other means of individual remote communication. As a response to the risk related to the COVID-19 pandemic, Asseco Poland has implemented solutions that involve extensive use of remote work. The rules for remote working are set out in the Management Board communication and take into account health and safety and business continuity. The company regulated the hybrid model work system in the same way in 2021. There are no trade unions in Asseco Poland.

Table 9. Number of trade unions

Total number of registered trade unions
0

Evaluation and employee development

Employees and co-workers of Asseco Poland are subject to regular evaluation process.

The first evaluation of an employee is done during the probationary period and regularly thereafter on a quarterly or semi-annual basis. Employee evaluations are conducted to determine the extent to which assigned tasks are completed. As part of the employee/co-worker's annual evaluation, competencies, strengths, areas for development are assessed and a development plan is created.

The Company cares for the professional development of its employees by organizing and financing company-wide and individual development activities.

As part of the company-wide development activities, paths for specific competence groups are implemented, e.g. for managers. The developed competencies of employees support the achievement of business objectives and the implementation of new processes in the Company. In turn, individual development activities raise the qualifications and competence level of employees and include: substantive training, conferences, certifications, postgraduate and doctoral studies, language courses and individual development sessions.

Development activities are carried out by external entities or internal trainers, depending on the needs, and are conducted in stationary, remote form and through e-learning trainings.

Since 2020, Asseco Poland has employed an experienced psychologist, psychotherapist and business coach, providing support to all employees who report such a need. In addition to in-person work, the Company conducts workshops and webinars in the area of psychology. A series of psychology webinars were conducted in 2021 on topics including confidence building, positive self-image, stress resilience, and positive thinking. A total of 49 meetings were held across all webinar series, attended by 2 992 people (one person could attend more than one series).

In 2021, there was a significant increase in the number of employees trained resulting from, among other things, the implementation of four mandatory compliance training courses, including GDPR (RODO), information security, ethics, and psychological webinars. In 2020, the number of participants in all trainings reached 8 249, and the number in 2021 nearly tripled from the previous year.

Table 10. Development activities in 2021

Number of development activity topics completed	Number of training participants	Available budget 2021	Number of days of development activities per employee	Number of hours of development activities per employee
645	24 144*	PLN 7 889 459	3	23

* Asseco Poland employees could participate in more than one development activity.

Additional non-wage benefits

Apart from remuneration, employees of Asseco Poland are entitled to extra benefits, including:

- an extensive medical care package, to which each employee and co-worker has the opportunity to add, on very favorable terms, their family members (spouse/partner, children, parents),
- a cafeteria program implemented using a benefit platform characterized by a wide range of offers and the possibility of flexible use of funds,
- Multisport card, which can be ordered on the benefit platform,
- Employee Pension Plan (EPP) – a form of voluntary group retirement saving for retirement in which the employer fully finances the basic contribution (a certain percentage of the employee's salary) transferred to a specialized financial institution for management, and the employee pays only personal income tax on it. As an option, the employee may decide to make an additional contribution, which in the amount declared by them will be calculated and deducted from their salary,
- financial assistance to eligible persons in a particularly difficult life situation,
- cash or in-kind benefits granted in cases of emergency,
- physical recreation, including the purchase of race packages for sporting events,
- Christmas vouchers and electronic restaurant cards.

In early 2022, employees contracted in 2021 received a Total Rewards Statement for review. This statement provides information on the amount of salary and the amount of benefits an employee is eligible for. This initiative aims to show that salary is not the only benefit from work that Asseco Poland employees receive.

Engagement and satisfaction survey

Asseco Poland S.A. maintains a documented dialogue with employees in the form of implementing a periodic engagement and satisfaction survey. All employees of the company are invited to participate in the survey, as well as co-workers performing tasks based on contracts of mandate, contract of specific work and B2B. A second survey was conducted in 2021 with 86% of those invited participating. Issues covered in the survey related to various areas of the organization, including remote working and its effectiveness, satisfaction with Asseco's operations in relation to the COVID situation, growth opportunities, cooperation, information and communication flow, processes and procedures, and work-life balance. The results of the survey form the basis for prioritizing company-wide and local activities in individual business units. The 2021 survey confirmed the effectiveness of the measures introduced in the previous edition, as evidenced by a marked increase in both the total engagement rate and performance in each category.

Occupational health and safety (OHS)

The Company performs activities ensuring protection of health and life of employees and co-workers against threats occurring in the work environment. Asseco Poland conducts its business activities so as not to pose any risk of serious accidents to its employees and to third parties, applying the provisions and guidelines of the labour law and occupational health and safety. General assumptions of the OHS management system have been included in the OHS Management System Book. It describes the process for identifying hazards and assessing occupational risk in workplaces, taking into account the risks associated with the COVID-19 pandemic.

The organization of safe work is determined by the instructions in force at the Company related to working conditions and working environment, as well as the principles of safe workplaces described in the document "Ergonomics of Sedentary Work". The company also purchases ergonomic equipment.

In order to ensure compliance with legal requirements, inspections are carried out in the area of occupational health and safety and fire safety, concerning the use of buildings, premises, including technical facilities, workplaces, including compliance with regulations by employees/co-workers and other persons carrying out activities on the Company's premises.

The Company ensures that employees are trained in occupational health and safety before they are allowed to work and conducts periodic training in this area, training in first aid and fire protection.

Table 11 Health and safety training in 2021

Number of people trained before starting work	Number of employees trained on periodic training
295	1 045

Significant risks identified in the area of employee issues

Risk of increased labor costs

The most significant portion of the costs associated with the projects are salary costs. With such high level of human resource input, an increase in salaries may have a negative impact on the margins achieved on projects and consequently on the financial performance of Asseco Poland.

The Company's management of the risk of an increase in labor costs consists of measures that reduce the likelihood of negative effects when wages change in the market. Asseco Poland mitigates this risk by monitoring the level of salaries in the market on an on-going basis, maintaining an appropriate structure of employment within particular levels of competence, and introducing indexation clauses into contracts with customers.

Risks associated with the possible loss of key employees

Asseco Poland's operations and development outlook depend to a large extent on the knowledge, experience and professional qualifications of its employees, who implement the IT projects. Significant demand for IT professionals and the actions of competitors may lead to the departure of key personnel, as well as make it difficult to recruit new employees with the appropriate knowledge, experience and qualifications. There is a risk that departure of key personnel will have a negative impact on the execution of IT projects carried out by Asseco Poland as well as on ensuring proper quality and range of services, which in turn might have a negative impact on the operations, financial position, financial performance and prospective development of Asseco Poland.

The Company manages the above risk by monitoring key – from the point of view of its operations – positions and ensuring appropriate motivation for employees. In addition to financial motivation based on, among other things, a performance-based bonus system, Asseco Poland also provides its employees with broad access to training and non-wage benefits, such as a social package or other benefits provided by the Company's Social Benefits Fund.

3. SOCIAL ISSUES

Asseco Poland, as a Polish IT company, operates in the common interest based on economic patriotism, creating added value for the Polish economy. It undertakes initiatives supporting Polish entrepreneurship and shapes the position of Poland in the international arena. It actively participates in official economic missions and also supports activities that promote domestic companies and products. It also willingly participates in nationwide

initiatives and public debates related to the promotion of Polish entrepreneurship, engaging, among others, in the project of *Dziennik Gazeta Prawna* "There is no freedom without entrepreneurship". The event features debates and discussions on the future of the Polish economy. Asseco Poland supports entrepreneurship also at the local level. It is one of the founders of the Podkarpacki Business Club, which has been promoting companies from this region for over 20 years. Today, the Club is made up of nearly 300 companies.

One of the principles adopted by Asseco Poland, stemming from the idea of economic patriotism, is to pay taxes in the place where revenues are generated. This means that Asseco Poland pays taxes in Poland, which is fair to the community and the country where the company sells its products and services. The company was ranked 3rd on the list of "Largest CIT payers" among technology companies with revenues exceeding EUR 50 million, prepared by *Puls Biznesu* based on data provided by the Ministry of Finance for 2020.

In 2021, Asseco Poland paid an income tax of **PLN 20.9 million** to the state budget

Activities in the area of corporate social responsibility are permanently inscribed in the Company's strategy. This activity began well before the coronavirus pandemic and will continue after the pandemic is extinguished.

In the face of COVID-19, Asseco Poland has undertaken a number of relief efforts since the beginning of the pandemic, many of which were introduced in 2020 and continued into 2021. The company is a leader in digitization in Poland and for over 30 years has been creating technologically advanced software for companies in key sectors of the economy, including healthcare or public administration.

Asseco Poland is one of the largest providers of IT solutions and services for the healthcare sector. It currently works with over 400 hospitals nationwide. On the other hand, the segment comprising physician offices, medium and small clinics and medical practices serves more than 9 800 locations (over 35 000 users), which is approx. 40% of the market. The company, in a consortium with Kamsoft, is responsible for the maintenance and development of the System for IT Support of National Health Fund Activities – SIWDzNFZ. In turn, the systems of Asseco Medical Management Solutions (AMMS) and mMedica ensure comprehensive support of healthcare processes. Using its many years of experience in the computerization of medical institutions, the Company develops its applications intended for patients: Medical Information (management of information provided by medical units), Medical First Aid Kit (medication management) and My Measurements (self-monitoring of health by patients). Thanks to the integration of My Measurements and Medical Information solutions, information about various health parameters of patients goes directly to the doctor's office and is recorded in the medical history. All of these solutions support healthcare stakeholders in the fight against the pandemic. Additionally, in 2021, the Company made donations to 106 hospitals totaling more than PLN 200 000.

In the public administration sector, last year the Company prepared IT systems of KSI ZUS and PUE Portal for tasks resulting from implementation of the Act on Special Solutions for Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Crisis Situations Caused by Them. Furthermore, Asseco Poland prepared IT systems of KSI ZUS and PUE Portal for the implementation of the Polish Tourism Voucher Act. In addition, contracts were executed for the support of operation and maintenance of KSI ZUS and executive contracts under the framework agreement for modification and development of KSI ZUS software.

Among other things, in response to the introduction of remote learning in schools, the Company implemented the #AssecoForChildren charity campaign, which aimed to support the most needy students in accessing knowledge. It provided 300 laptops along with mobile internet access. The Podkarpacki Regional Branch of the Polish Red Cross was involved in the initiative, with the Mayor of Rzeszów and the Marshal of Podkarpackie Voivodeship as partners. The total funds donated by the Company for this action amounted to over PLN 730 000.

Asseco Poland educates and employs Polish programmers. The company organizes content-related events for IT professionals and students – Techbreakfast by Asseco. In 2021, 3 online technology meetings were held with a total of approx. 450 people. Among the elements of expertise exchange, a technology blog is successfully

developed. Material published on the blog in 2021 has received more than 21 000 views by nearly 19 500 unique users. Asseco Poland experts also share their knowledge on technology podcasts published on the channels: Spotify, Apple Podcast, Google Podcast, Radio Public and Breaker. The 16 materials published in 2021 were listened to approx. 1 000 times.

Asseco Poland regularly meets with students during Job Fairs and conferences organized by student organizations. Last year we were the main sponsor of the online event Warsaw IT Days. Additionally, we took part in an event organized by students of the Silesian University of Technology, during which we acted as a partner and sponsor. Our experts shared their knowledge at the Ya!vaConf conference, which is dedicated to professionals, and at the cyber security event – Hack Summit. The fourth edition of Hackathon by Asseco was held in October 2021. This edition, once again conducted in an online format, was attended by 35 teams consisting of 100 people, of which 4 teams continue their cooperation with the Company under the Asseco Innovation Hub innovation development program.

70% of interns from 6th edition of Asseco Starter program continue employment in Asseco Poland

The Company has a proprietary internship and graduate program designed to identify high-potential young people during a nationwide campaign. Trainees and graduates participate in rich development programs where they receive specialized and soft training. The sixth edition of the program enrolled 28 students in a 3-month internship and 22 students in a 9-month graduate program. A total of 180 interns and over 100 graduate students participated in the program over a 6-year period.

Community outreach activities include donations to support education, health services, and to help people with disabilities or who are excluded.

Table 12. Amount allocated for donations in 2021

Area	Amount [PLN]
Education	1 612 000
Health care	691 000
Social assistance	46 000
Sports	16 000
Total	2 365 000

Due to the warfare in Ukraine, the Company has joined in helping the people of this country. As at the date of publication of this report, Asseco Poland has contributed PLN 2 million for this purpose. The company has also established cooperation with non-governmental organizations and with the crisis staff of the Rzeszów City Hall and the City of Warsaw. In addition, the Company's employees have been involved in helping refugees. A special team has been set up to support the outreach activities they carry out.

The company supports Polish sport as the main sponsor of the Asseco Resovia Rzeszów volleyball team. Additionally, it sponsors Arka Gdynia Basketball Club. In 2021, Asseco Poland sponsored scientific conferences, mainly in the fields of energy and healthcare, and hackathons.

Table 13. Amount allocated to sponsorship in 2021

Area	Amount [PLN]
Sports	11 809 000
Conferences, hackathons	402 000
Total	12 212 000

The Company promotes physical activity among its employees through Asseco Active Team. This initiative consists in subsidizing sports activities of Asseco Poland employees. Standard forms of support are the enrollment fee and clothing costs. The company also organizes a sports challenge for employees every year. A charitable aspect has been included for the past 2 years. In 2021, 265 employees from 16 Asseco Poland locations traveled a total distance of nearly 130 000 km in two sport categories: cycling and running. Each kilometer of the route was converted into charitable zlotys, thanks to which the employees supported a foundation for the disabled.

Among the most important social projects conducted by Asseco Poland is the Christmas campaign "We bring help". Its purpose is to help those most in need and to motivate employees to get involved in these activities. Employees nominate selected organizations for financial support, including orphanages or single mother's homes, hospices, foundations supporting poor families. Beginning in 2019, employees may also submit environmental initiatives (100% environmentally focused and those that are part of assistance projects of a different nature, such as the introduction of waste segregation at a facility). Asseco Poland employees decide to whom and in what form they will provide support within a specially allocated budget. Since 2013, Asseco Poland has allocated a total of more than PLN 1.7 million for the campaign, and 2 000 people have participated in the project. These funds have helped more than 5 000 children and 130 families. In 2021 alone, funds totaling nearly PLN 120 000 were donated to 14 projects within the campaign.

The Company held its second internal Christmas auction during the 2021 holiday season. Employees displayed and auctioned off homemade cakes and preserves, home decorations, crafts and books, among other items. Thanks to the auction, all the money raised was donated to a foundation that helps sick and abandoned cats.

Since March 2020, Asseco Poland has a Crisis Staff, which coordinates all Company's decisions related to the pandemic and ensures their ongoing communication to employees. The staff meets periodically with the Management Board, reporting on the current outbreak situation and determining the actions taken, whereby all employees and associates have been allowed to perform their work remotely, including remote VPN access, increased data transmission limits, and replacement of PC stations with laptops. Employees performing their duties in the offices were provided with a safe environment for the performance of their work by, among other things, maintaining the required distance between workstations, being equipped with disinfectants, adapted to the situation cleaning procedures, conducting strict control of the entrance to the offices, stopping visits of third parties. Additional activities included organizing a campaign for voluntary vaccination of employees against COVID-19, providing tests for self-diagnosis and equipping employees going on business trips with personal protective equipment. Personal access to critical IT infrastructure was also minimized.

The above-mentioned activities were noticed and appreciated in the "Ethical Company" competition organized by *Puls Biznesu*, where Asseco Poland was one of the laureates in the "Large Companies" category. The company was recognized for, among other things, charitable and environmental actions, support of local communities and sports teams, and activities in the fight against the coronavirus pandemic.

Significant risks identified in the area of social issues

The risk of dissatisfaction with the reduction in the scope of actions carried out

The Company conducts numerous and extensive community and sponsorship activities. There is a risk that the abandonment of any of the current activities could lead to dissatisfaction on the part of employees and communities benefiting from the activity, and consequently damage the Company's image.

The Company manages risk through ongoing monitoring of its activities, their scale and image effects.

4. CLIMATE AND ENVIRONMENTAL ISSUES

Asseco Poland conducts business operations in the areas which are not subject to special environmental protection, i.e. Natura 2000 areas, landscape parks, areas of protected plant and animal species, floodplains. The Company's activity does not cause significant environmental impacts and does not pose a threat of a serious environmental accident.

The Company's environmental policies are set out in the Environmental Policy. The Company implements the Environmental Policy through an implemented and continuously improved environmental management system. The successful implementation of the system was certified by the Environmental Management System Certificate according to ISO 14001:2015 standard first issued in 2012. The system is audited annually to confirm compliance with the requirements. A supervision audit took place in September 2021, during which Asseco Poland confirmed that it has an ISO 14001:2015 compliant environmental management system.

The objective of the Company's environmental policy is to ensure sustainable development of the enterprise, including improvement of the environmental performance of its operations in such a way that its activities have a minimum negative impact on the environment and comply with the law and accepted standards of meeting environmental obligations. The Company's strategic objectives are to reduce CO₂ emissions in the area of electricity and to reduce the amount of paper used. The specific objectives are to reduce the carbon footprint of the vehicle fleet by investing in eco-fleet and to reduce the consumption of natural resources by extending the life cycle of electrical and electronic equipment.

The Environmental Policy was established and is maintained by the Management Board, and its assumptions are communicated to external stakeholders through a public website of Asseco Poland, as well as to the Company's employees through internal intranet portals where other information pertaining to the broadly understood environmental protection is also posted on a regular basis.

According to the assumptions of the System, the Company achieves environmental effects through:

- complying with legal requirements regarding environmental protection,
- identifying environmental objectives and implement actions to achieve them,
- implementing corrective actions when non-compliance with environmental requirements is identified,
- raising employees' environmental awareness and taking initiatives to increase their involvement in environmental protection activities,
- making demands and promoting pro-environmental attitudes in external customers.

Environmental laws and regulations

The Company continuously identifies and implements legal requirements and other requirements resulting from, among others, agreements and own commitments. Compliance with requirements is monitored and periodically evaluated. Records of regulatory requirements are maintained to document compliance for individual sites.

The Company has not been subject to monetary penalties for non-compliance with environmental laws and regulations in 2021.

Table 14. Total monetary value and number of fines for non-compliance with environmental laws and regulations

Total value of environmental penalties [PLN]	Total number of environmental penalties
0	0

Relevant stakeholders

The Company identifies internal and external stakeholders, their material needs, expectations and compliance obligations. Interested parties are defined separately for each business location. The main stakeholders relevant to the environmental aspects and legal requirements of the Company's operations are shown in the table below.

Table 15. Identified stakeholders in the area of environmental protection

Stakeholders	Commitments/expectations
Offices and institutions	carrying out statutory obligations
Recovery organizations	implementation of statutory and contractual obligations related to equipment, batteries and accumulators, packaging and products
Recipients of non-municipal waste	collection of waste other than municipal waste, including hazardous waste
Recipients of municipal waste	municipal waste collection and contractual obligations
Suppliers of water, electricity, gas, fuel	acting in accordance with contractual and statutory conditions
Customers	creating products and services tailored to customer needs and compliant with environmental requirements and raising environmental awareness
Investors	compliance with the requirements imposed on listed issuers
WSE	compliance with information obligations imposed on listed issuers
Neighbors	eliminating or minimizing the negative impact of their activities on the environment and living conditions, in particular with respect to noise emissions, emissions of pollutants into the air and water
Employees	providing appropriate working conditions, resources and information to the extent necessary for the proper fulfillment of environmental obligations and in terms of environmental initiatives undertaken.

Climate change and the impact on sustainable development

The Company identifies two types of environmental impacts:

- the impact of the Company's operations on the climate
- the impact of climate change on the Company's operations

The internal and external factors affecting the sustainability of the Company are determined separately for each of its business locations. A review of areas, related environmental aspects, impacts, and risks and opportunities is conducted at least annually.

The Company's impact on climate change is primarily related to the consumption of electricity in its own and leased buildings, the combustion of liquid and gaseous fuels in equipment and installations, the emission of greenhouse gases into the atmosphere during the operation of equipment and installations and in emergency situations, as well as the consumption of water and the generation of waste, mainly used electrical and electronic equipment.

All the presented ratios counted per employee in the area have been calculated on the basis of average workforce of Asseco Poland in the analyzed periods, taking into account salaried jobs, i.e. employment in full-time jobs adjusted (less) for jobs for which the Company does not pay remuneration (e.g. unpaid leave, maternity leave, other).

The calculation of percentage changes for the indicators presented was based on the values of the indicators before rounding.

Fuels and Energy

Asseco Poland constantly monitors the consumption of electricity, heat and fuels in its operations. The Company monitors the consumption of:

- electricity and gas used in owned and leased buildings
- liquid fuels used to power the cars in the Company's fleet
- diesel fuel in generator sets

In 2017, the Company conducted an energy audit to identify modernization measures and outline other energy efficiency measures. As a result, a number of measures were implemented, including replacement of energy-intensive equipment with much more energy-efficient equipment. The company is gradually implementing the process of replacing lighting in its buildings with LED lamps. An energy audit was conducted again in 2021. It included a series of activities related to the diagnostics of the company's energy management, on the basis of which possibilities of improving energy efficiency were presented and media flows were shown, along with highlighting the most energy-intensive areas. After analyzing the report, the company decided to implement an energy-saving solution for lowering the temperature at night in the building in Rzeszów, at 14 Olchowa St.

When purchasing equipment, the Company pays attention to the durability and energy efficiency of products – Asseco Poland has implemented a document entitled "Principles of purchasing energy-consuming equipment", which specifies the criteria for purchasing equipment for employees, indicating such equipment with higher energy efficiency.

The company systematically modernizes its vehicle fleet. Every year, it invests in new vehicles that meet higher EURO standards and purchases hybrid vehicles. It maintains periodic inspection monitoring and performs technical inspections and necessary repairs within required timeframes. It promotes eco-driving principles among the Company's employees, which contributes to reducing the amount of fuel consumed by company vehicles and indirectly reduces greenhouse gas emissions into the atmosphere.

The main actions taken at the Company in 2021 to minimize electricity and fuel consumption are:

- periodic replacement of LED lamps in the Company's own offices,
- replacement of vehicles with new ones that meet higher EURO standards and purchase of hybrid vehicles,
- purchasing equipment with higher energy efficiency,
- installing timers at water dispensers in kitchens,
- installation of motion sensors in toilets in the new building in Rzeszów.

Table 16. Energy and fuel consumption from non-renewable sources in the Company

Energy/fuel*	Unit	Year 2020	Year 2021	Change 2021 /2020
Electricity	MWh	8 560.07	6 444.24	-24.72%
Thermal energy	GJ	9 043.76	8 332.93	-7.86%
Gasoline	liters	31 4272.37	29 3059.75	-6.75%
Diesel	liters	25 711.69	25 681.56	-0.12%
Natural gas	m ³	49 170.16	140 977.83	186.71%

* Own compilation based on invoices and own records.

Table 17. Energy intensity index

Electricity consumption*	Unit	Year 2020	Year 2021	Change 2021 /2020
The Company's total electricity consumption	MWh	8 560.07	6 444.24	-24.72%
KPI: Electricity consumption /employee	MWh/employee	3.91	2.87	-26.60%

Reduced electricity consumption in 2021 is due to the ongoing pandemic and a reduction in the number of people working in offices. The increased consumption of natural gas is a result of the launch of the boiler room and the commencement of heating in the Company's newly commissioned building at 14 Olchowa St. in Rzeszów.

Table 18. Vehicle Fuel Burning Intensity Index

Fuel type	Unit	Year 2020	Year 2021	Change 2021 /2020
Diesel	liters	23 600.69	25 681.56	8.82%
Gasoline	liters	314 272.37	293 059.75	-6.75%

In 2021, fuel consumption was at the similar level as in 2020. This was a result of continued restriction on business travel and remote work for employees due to the extended pandemic period.

Water and wastewater

The Company has no manufacturing operations and does not use water for process purposes. The water supplied by the waterworks is used for domestic purposes only. All of Asseco Poland's properties are served by the city sewerage system; whereas, water supply and sewage disposal services are provided by water supply companies. Water is also not taken directly from surface water and wastewater is not discharged directly to water and land.

As part of the Environmental Management System, the Company monitors its water usage in an effort to minimize water consumption. It implements a number of measures to minimize water consumption: it raises employee awareness, increases emergency response, performs timely inspections, and installs flow restrictors in bathrooms.

Table 19. Water use intensity indicators

Water consumption*	Unit	Year 2020	Year 2021	Change 2021 /2020
The Company's total water consumption	m ³	14 361.08	7 090.98	-50.62%
KPI: Water consumption/employee	m ³ /employee	6.57	3.16	-51.89%

Lower water use in 2021 is a consequence of the pandemic and reduced office staffing. This is also a result of the separation of water consumption by subsidiaries that lease space in Asseco Poland's offices.

A direct result of water consumption is the discharge of wastewater. The Company aims to reduce the impact of discharged wastewater on the environment by using eco-friendly products (cleaning products) that contain fewer chemicals. It is also one of the criteria for selecting suppliers and service providers. Prior to releasing rainwater and snowmelt from parking lots into the sewerage system, Asseco Poland pre-treats the water in separators of oil-derivative substances and conducts regular tests of the quality of discharged water, the results of which in 2021 and in the previous years did not indicate exceeding the permissible levels of the measured parameters.

Greenhouse gas emissions

Greenhouse gas emissions in Scope 1, 2 and 3

Greenhouse gas emissions generated by the Company's operations mostly (71.8%) belong to Scope 2 and come from the generation of purchased electricity and heat. Scope 1 emissions, from gas combustion for building heating, fuel consumption in vehicles and generators, and incidental emissions from air conditioning and firefighting equipment, account for 16.3% of emissions. In 2021, the Company decided to expand the scope of its GHG emissions inventory to include a Scope 3 analysis of the carbon footprint associated with employee travel and waste transferred to customers, which represents 11.9% of emissions. Scope 3 does not include company car trips, as these emissions are fully described in fuel consumption in Scope 1.

The most important actions taken by the Company to minimize greenhouse gas emissions are:

- periodic and timely inspections of air conditioning and firefighting equipment
- replacement of vehicles with new ones that meet higher EURO standards and purchase of hybrid vehicles, performance of timely periodic inspections and technical tests and participation in eco-driving training
- purchasing equipment with higher energy efficiency

The direct and indirect greenhouse gas emissions emitted by the Company were summed to calculate the greenhouse gas emissions intensity.

Table 20. Scope 1, 2 and 3 greenhouse gas emissions

Emissions	Unit	Year 2020	Year 2021
Scope 1			
Emissions from fuel use in buildings and installations	MgCO ₂ e	105.28	289.60
Emissions from fuel consumption in transport vehicles	MgCO ₂ e	746.43	706.18
Emissions from accidental releases of HFCs into the atmosphere	MgCO ₂ e	40.71	205.95
Total Scope 1 emissions	MgCO₂e	892.42	1 201.74
Scope 2			
Emissions resulting from the purchase of electricity	MgCO ₂ e	6 154.69	4 498.08
Emissions resulting from the purchase of thermal energy	MgCO ₂ e	872.72	804.13
Total Scope 2 emissions	MgCO₂e	7 027.41	5 302.21
Total emissions from 1+2	MgCO₂e	7 919.83	6 503.95
Scope 3			
Emissions from water consumption	MgCO ₂ e	-	7.46
Emissions resulting from business travel (air and rail transport)	MgCO ₂ e	-	33.87
Emissions from employee overnight stays in hotels	MgCO ₂ e	-	74.75
Emissions from waste treatment	MgCO ₂ e	-	764.71
Total Scope 3 emissions	MgCO₂e	-	880.80
Total emissions from 1+2+3	MgCO₂e	-	7 384.75

Table 21. Emission intensity indicators

KPIS: Emissions	Unit	Year 2020	Year 2021
CO ₂ emissions of electricity/employee	MgCO ₂ /employee	2.81	2
CO ₂ emissions of thermal energy/employee	MgCO ₂ /employee	0.40	0.36
CO ₂ emissions of water consumption/employee	MgCO ₂ /employee	0.007	0.003

In addition to CO₂ emissions, CH₄ and N₂O gases are included in the 2020 and 2021 calculations.

Table 22. Other greenhouse gas emissions

Greenhouse gas	Unit	Year 2020	Year 2021
CH ₄	MgCO ₂	2.31	2.42
N ₂ O	MgCO ₂	2.73	2.75

Potential emergencies can also be a source of uncontrolled emissions. In this category, the Company sees the following potential environmental risks:

- fire or explosion,
- the aforementioned leaks of HFC refrigerants into the air from air conditioning equipment or from a fixed fire extinguishing unit,
- fuel leakage from vehicle fuel systems or from a power generator,
- gas leak.

The Company's handling of emergencies is described in the "Incident Management Policy" Regulations and the "Handling of Incidents" Procedure. Activities are primarily directed at preventing the occurrence of a potential accident. The Company minimizes risk through ongoing monitoring of fuel consumption, timely inspection and maintenance of equipment, periodic trainings, and raising employee awareness, thereby increasing the effectiveness of response to the aforementioned situations. Asseco Poland is also equipped with means to prevent spreading of contamination, such as sorbents.

Other than isolated refrigerant loss from air conditioning equipment in 2021 and prior years, there were no other environmental failures at the Company.

In 2021, the Company signed an agreement with the energy supplier, Tauron Group, to supply energy from less emissive sources (co-generation). With the signing of the aforementioned agreement, it will be possible to significantly reduce CO₂ emissions from energy between 2022 and 2024.

Sources of data and indicators

The data concerning fuel (gasoline, diesel) as well as natural gas consumption at the Company-owned buildings were used to calculate direct GHG emissions. Also included are fugitive emissions of HFCs from leaks in refrigeration and air conditioning systems. In contrast, electricity and heat consumption data were used to calculate indirect GHG emissions. Data on energy and fuel consumption came from invoices and internal records. HFC gas emissions were determined based on gas completions and a register generated from the Central Operator Registry database.

During the calculations, indicators developed by DEFRA – the Greenhouse Gas Conversion Factor Repository, the National Balancing and Emission Management Centre (KOBIZE) and the Energy Regulatory Office (URE), GHG Protocol were used. For HFCs, GWP100 factors were used in accordance with the Intergovernmental Panel on Climate Change (IPCC) report. Emission factors for electricity under the market-based method were assumed based on the averaged factor data on the National Center for Balancing and Emission Management website for the year 2020 published in December 2021. The emission factor for market-based thermal energy was taken from the averaged factor data on the ERO website. Business travel emissions data (air and rail) were provided by the service provider.

No biogenic greenhouse gas emissions were identified.

Raw materials and waste

At Asseco Poland, we strive to reduce the consumption of raw materials. For several years we have been using electronic document workflow, electronic signature and supporting implementation of such solutions at our clients.

In 2021, Asseco Poland continued its activities under the "Paperless Business" campaign, which consists of conducting activities aimed at reducing paper consumption by promoting and supporting the development of digital services. The Company continues the activities of the Association of the Clean Poland Program, an initiative of the Polsat Plus Group, which aims at educating the society and bringing closer the benefits

of an ecological lifestyle. In 2021, as part of the "Paperless Business" campaign, Asseco Poland launched an educational and information website biznesbezpapieru.pl (*paperlessbusiness*). It is the first portal of its kind devoted entirely to digitization, where entrepreneurs and consumers will find expert advice and practical knowledge about its various aspects. Companies will learn, among other things, how to effectively transfer traditional business processes to the digital world and what benefits this brings, how to use digital tools in various areas of life and how important cyber security is in this process. Educational activities are conducted through business media and social media sites. There are also training sessions for entrepreneurs in the form of webinars, as well as debates with experts. Asseco Poland has implemented a number of best practices promoting the minimization of paper documents and transition to electronic form.

In addition, Asseco Poland continues its activities within the framework of the Digital Poland Association, a non-profit industry organization which brings together the largest consumer electronics and IT companies operating in Poland. Together, the organizations want to promote digital solutions and build awareness of the opportunities that modern technologies offer in business.

Table 23. Paper consumption in the Company

	Unit	Year 2020	Year 2021	Change 2021 / 2020
Number of reams of paper used	pcs.	2 024	1 570	
KPI: Paper consumption /employee	pcs/employee	0.93	0.70	-22.43%
CO ₂ emissions of producing the material	MgCO ₂ e	7.07	5.49	
KPI: CO ₂ emissions of material production/employee	MgCO ₂ e/employee	0.0032	0.002	

In 2021, the Company reduced CO₂ emissions resulting from the production of basic material (paper) by 22.43%.

All waste generated by Asseco Poland is separately collected.

Municipal waste is collected in the manner specified in local regulations on maintaining cleanliness and order, and is taken back by communes on the basis of submitted declarations or by an entrepreneur entered in the register of regulated activities in a given locality on the basis of a civil-law agreement signed.

In order to make it easier for employees to segregate waste properly, all locations have been equipped with appropriate containers for waste segregation, each kitchen has been equipped with detailed instructions on how to deal with the selected waste fraction, and the garbage cans are marked with appropriate signs.

Non-municipal waste is stored in properly labeled storage areas and transferred to recipients that hold permits required by law for waste collection or processing and an entry in the BDO register for waste transport. Transfers are based on signed contracts or on one-time orders.

The Company is registered in the BDO register under number 000004848. Waste records are kept on an ongoing basis and reports on the waste produced are prepared in the required timeframes.

All waste equipment is sent to authorized waste collectors, who recover and recycle it.

Table 24. Management of non-municipal waste

Mass of waste [Mg]	Year 2020	Year 2021	Change 2021 / 2020
Mass of waste generated	15.23	38.36	148.22%
Mass of waste handed over to recipients*	17.26	38.09	117.55%
Weight of electrical and electronic equipment sent for recycling*	10.57	12.81	16.05%

The higher mass of waste generated in 2021 is related to the disposal of a large amount of office furniture during the decommissioning of the Gdynia office. The higher mass of transferred equipment in 2021 is due to including in the calculation the mass of generated waste which was not transferred in the previous calendar year.

In 2021, the mass of resold equipment accounted for 31.92% of all donated equipment. There is a noticeable percentage increase – 7.92% – in the mass of equipment resold compared to 2020.

Asseco Poland does not carry out its own collection, recovery and recycling of waste electrical and electronic equipment, batteries, accumulators, or packaging.

The above-mentioned statutory obligations are carried out by Recovery Organizations with which the Company has entered into agreements.

Key actions taken at the Company to minimize the amount of waste generated:

- working devices (laptops, computers, phones), after their scheduled period of use in the Company, are resold to employees for further use, which extends their useful life and indirectly reduces the amount of waste generated and the need for raw materials necessary to manufacture new ones,
- joining the "Paperless Business" campaign – conducting activities aimed at reducing paper consumption both within the organization and among its customers,
- lifecycle extension for new equipment purchased in 2021 and beyond. Increasing the useful life from 5 to 6 years for an additional monitor and increasing the minimum useful life for a mouse, keyboard, and headphones with microphone.

There are internal regulations in force at the Company defining the proper management of waste, e.g. the Procedure for management of waste other than municipal waste, detailed instructions for storing and handling the generated waste.

The Company's internal website provides materials, publications and detailed information on waste handling. Employees are also able to use the materials provided for their job duties and have access to subject-specific training. All information is available to every employee and is kept up to date.

Subcontractors performing work on the Company's premises are informed about the requirements related to proper waste management, and relevant environmental provisions are included in contracts and orders.

Environmental education

Asseco Poland has consistently undertaken measures to raise environmental awareness among its employees, co-workers, and external customers.

In-house training for employees is successively implemented. The Company's internal website, ECO BASE, is also updated on a regular basis. In 2021:

- as far as cooperation with suppliers is concerned, a document entitled "Environmental Requirements for Suppliers" has been placed on the Asseco Poland homepage,
- as part of initiatives related to increasing biodiversity, the Company has created a flower meadow next to the building on 14 Olchowa St. in Rzeszów. The Company, as part of its promotion of environmental initiatives, submitted the establishment of a floral meadow to the Responsible Business Forum's Good CSR Practices 2021 program,
- as regards the issues related to carbon footprint and CO₂ emissions, two trainings were held for selected departments within the Company and their content was made available on the Compliance Department training website and in ECO BASE,
- information was published in social media on pro-environmental initiatives undertaken at the Company, i.e. creation of a flower meadow, and information on reducing the amount of newspapers purchased.

The company also participates in the Clean Poland Programme with the "Business without paper" action and in the Digital Poland Association.

Suppliers

The primary environmental criterion for selection of a service/product provider is possession of legally required permits and registrations appropriate to the scope of its business, including registration in the Database of Products and Packaging and Waste Management (BDO) to the extent required, submission of appropriate declarations, and possession of qualification of persons, if required.

The company communicates the environmental conditions of cooperation to external customers on a company website, sets environmental requirements for suppliers, and evaluates them periodically. It inserts environmental provisions into contracts and requests for proposals and provides responses and clarifications.

The terms of cooperation with suppliers are described in documents: the Environmental Requirements for Suppliers of Products/Services with Environmental Aspects, the Terms and Conditions for Purchasing for Own Use, and the Terms and Conditions for Purchasing for Contracts.

EU taxonomy

The EU taxonomy is a classification system for environmentally sustainable economic activities.

According to:

- Article 8 of the EU 2020/852 Regulation of the European Parliament and of the Council of June 18, 2020 on establishing a framework to facilitate sustainable investment (Regulation 2020/852),
- Commission Delegated Regulation EU 2021/2139 of June 4, 2021 establishing technical eligibility criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation, and whether that economic activity does not cause serious harm to any other environmental objective (Technical Eligibility Criteria),
- EU Commission Delegated Regulation 2021/2178 of July 6, 2021, supplementing Regulation 2020/852 by clarifying the content of the presentation of information on environmentally sustainable business activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU, and specifying the method to comply with this disclosure obligation (Disclosure Regulation),

Asseco Poland has conducted an analysis of the business activities carried out by the Company in 2021 in relation to the Taxonomy and has presented below the key indicators of the proportion of turnover, capital expenditures and operating expenses related to the activities qualified for the Taxonomy and those not qualified for the Taxonomy.

Analysis of activities qualified for the Taxonomy

Asseco Poland S.A. analyzed all of its economic activities against the indicated environmental objectives in the Taxonomy for the first two objectives to determine which ones could significantly contribute to climate change mitigation or adaptation.

The analysis was based on the business descriptions included in the Technical Eligibility Criteria, following a comprehensive review of the company's operations, with participation of experts in ESG, controlling and reporting areas of Asseco Poland.

Values of key indicators

Asseco Poland calculated the key indicators in accordance with the Disclosure Regulation based on its processes, existing reporting systems and the adopted assumptions.

To calculate the portion of revenues, capital expenditures and operating expenses that qualify for the Taxonomy, the Company used the methodology described in Exhibits 1 and 2 of the Disclosure Regulation. Activities qualified based on the Technical Eligibility Criteria but not material in 2021 in terms of revenues, capital expenditures or operating expenditures are not included in the indicators.

Key performance indicators related to turnover

Table 25. Percentage of turnover qualifying for the Taxonomy

Business	Turnover [PLN thousand]	Share in turnover [%]
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	986 161	90%
8.1. Data processing; web site management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	112 801	10%
Total (A+B)	1 098 962	100%

The ratio of revenues related to the operations classified into the Taxonomy was calculated by dividing the total amount of revenues from the operations classified into the Taxonomy by the operating income as disclosed in the profit and loss account in the Financial Statements of Asseco Poland S.A. for the year ended December 31, 2021.

Due to the transitional nature of the disclosures for 2021, including the lack of a comparative period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been revealed:

- a quantitative breakdown of the numerator to illustrate key drivers of change in KPIs during the reporting period, such as contract revenue, rental revenue, or other revenue sources,
- amounts related to business activities consistent with the Taxonomy conducted for the Company's own use,
- qualitative explanations of the key elements of the changes in KPIs in relation to turnover during the reporting period.

Key performance indicators related to capital expenditures

Table 26. Percentage of capital expenditures (CapEx) eligible for the Taxonomy

Business	CapEx [PLN thousand]	CapEx share [%]
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	65 471	94%
8.1. Data processing; web site management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	3 887	6%
Total (A+B)	69 358	100%

The capital expenditures ratio of Asseco Poland related to the activities qualified for the Taxonomy was calculated by dividing the total capital expenditures related to the activities qualified for the Taxonomy by the total capital expenditures as disclosed in the financial statements of Asseco Poland S.A. for 2021, calculated according to the Taxonomy's definition that total investments include increases in:

- property, plant and equipment ("Property, plant and equipment" – Note 5.1 to the standalone financial statements of Asseco Poland for 2021),
- expenditures for research and development projects ("Software and licenses generated internally" – explanatory note 5.2 to the standalone financial statements of Asseco Poland for 2021),
- expenditures for other intangible assets (other "Intangible assets") – explanatory note 5.2 to the standalone financial statements of Asseco Poland for 2021),
- assets by virtue of right of use ("Assets by virtue of right of use" – explanatory note 5.3 to the standalone financial statements of Asseco Poland for 2021).

Due to the transitional nature of the 2021 disclosures, including the lack of a comparative period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been revealed:

- significant changes that occurred during the reporting period with respect to the implementation of capital expenditure plans,
- the quantitative breakdown at the aggregate level of economic activity of the amounts included in the numerator,
- a qualitative explanation of the key elements of the changes in capital expenditure KPIs during the reporting period.

Key performance indicators related to operating expenses

Table 27. Percentage of Operating Expenses (OpEx) eligible for Taxonomy

Business	OpEx [PLN thousand]	OpEx share [%]
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	47 363	97%
8.1. Data processing; web site management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	1 460	3%
Total (A+B)	48 823	100%

As defined in the Disclosure Regulation, operating expenses considered for purposes of calculating the Company's operating expense ratio related to Taxonomy-qualified activities, defined as operating expenses in the numerator of the ratio and the sum of operating expenses in the denominator, include:

- non-capitalized costs related to research and development,
- building repair work,
- short-term rentals,
- maintenance and repair,
- any other direct expenses associated with the day-to-day operation of the long-lived assets by the Company or a third party contracted to perform activities necessary to ensure the continued and efficient operation of those assets.

As defined by the Disclosure Regulation, expenses for energy, among others, have not been taken into account as they are not direct expenses related to the day-to-day operation of the property, plant and equipment.

Asseco Poland S.A.'s operating expense ratio associated with Taxonomy-qualified activities was calculated by dividing the operating expenses associated with Taxonomy-qualified activities by the total operating expenses.

Due to the transitional nature of the disclosures for 2021, including the lack of a comparative period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been revealed:

- a quantitative breakdown of the numerator to illustrate the key drivers of change in KPIs for operating expenses during the reporting period,
- qualitative explanations of the key elements of the changes in KPIs for operating expenditures during the reporting period,
- other expenses related to the day-to-day operation of property, plant and equipment, which are included in the calculation of operating expenses in both the denominator and numerator.

Significant risks identified in the area of environmental and climate issues

Risk of non-compliance with regulatory requirements

One of the Company's significant identified environmental risks is the risk of non-compliance with regulatory requirements. Numerous and frequent legislative changes, including short *vacatio legis* and the need to meet statutory deadlines and ensure continuous compliance makes this aspect significant for the Company. Regulations relating to the protection of the environment and the use of natural resources are becoming stricter, requiring the Company to manage its operations more cross-cuttingly. If there are regulatory changes with a short implementation period related to environmental protection, there is a risk of not meeting the requirements on time. Materialization of this risk could affect the Company's financial results and image.

The level of risk is minimized by ensuring that the competencies of risk managers are raised, that legal and other requirements and guidelines are identified on an ongoing basis, that compliance is monitored and that corrective, amendatory and improvement actions are taken. As of 2020, the Company has a document entitled "Register of Corrective and Improvement Actions", which is subject to review by internal and external audits. The Company provides employees responsible for monitoring the law with the opportunity to receive specialized advice and consultation. The Compliance and Process Management staff monitors risks related to legal changes quarterly and keeps abreast of planned legal changes.

Risk of significant increase in electricity prices and electricity supply interruptions

The basic tools used by Asseco Poland employees are electronic devices which require electricity from external suppliers. Global warming processes observed on a global scale may cause an increase in the price of electricity, particularly that obtained from non-renewable sources, which will consequently contribute to a significant increase in the cost of doing business. Asseco Poland is also exposed to the risk of power supply interruptions due to possible failure of the network or a failure of the supplier.

The Company manages risk by ongoing analysis of its energy needs and implementation of measures to minimize energy consumption, including through gradual replacement of old, energy-intensive equipment with energy-efficient devices. In addition, the Company has a document entitled "Principles for the Purchase of Energy-consuming Equipment," which sets forth pro-environmental guidelines and criteria to be followed when purchasing equipment for employees. Additionally, server rooms are equipped with independent sources of electricity – generators that can be activated in case of failure.

Risk of poor waste management

Due to the nature of its operations, the Company does not generate production waste. The main types of waste generated by Asseco Poland are municipal waste and waste electrical and electronic equipment. Regardless of the scale of waste generated, there is a risk of mismanagement.

The Company minimizes the above risk by strictly applying and enforcing legal requirements in this respect as well as by setting specific requirements for suppliers. The rights of waste recipients are monitored on an ongoing basis and requirements related to proper waste handling are communicated to subcontractors and service providers. Numerous educational campaigns are conducted inside the Company – thematic trainings are implemented and numerous articles and materials are posted on the internal website. In addition, waste generation is minimized through the conscious and controlled purchase of needed assortments and the extension of product life cycles by reselling equipment to employees or donating it to those in need. In 2021, 573 monitors, 687 notebooks, and 217 computers were sold to employees.

5. ISSUES CONCERNING RESPECT FOR HUMAN RIGHTS

Human rights are enjoyed by every person, and their source is the inherent dignity of the human being.

It is a general principle of Asseco Poland to respect and observe human rights, including such issues as the right to freedom of association, right to safe working environment, prohibition of discrimination, prohibition of child labor, and prohibition of forced labor. Violation of any of the aforementioned principles would constitute a violation of the law and the Company's core values.

The Asseco Poland's policy related to respect for human rights is comprised of the following internal documents: the Code of Ethics and Business Conduct, the Compliance Policy, the Workplace Regulations, the regulations governing purchases for internal purposes and execution of contracts, and the Supplier Qualification Process.

The Code of Ethics and Business Conduct contains rules and standards of conduct and values concerning interpersonal relations, business relations and protection of the Company's image. Its main assumptions are based on the common values of Asseco Poland, which constitute the foundation of conduct of the Company and its employees. The Code also refers explicitly to the obligation to respect human rights and labour law, as well as the principles of equal treatment and anti-discrimination.

Values of Asseco Poland

Engagement

We are fully committed to every project, and the success of our customers gives us the greatest satisfaction.

Respect

We expect mutual respect from each other.

Quality

We set the bar high for the quality of everything we do.

Professionalism

We are constantly improving our qualifications and are happy to share our experience.

Effectiveness

We are ambitious and consistent in achieving our goal.

Responsibility

We take responsibility for our work and the environment in which we operate.

Human rights violations are abuse and should be reported to the Compliance Officer or the Ethics Committee.

Table 28. Cases of discrimination in 2021

Total number of confirmed cases of discrimination in the workplace
0

In addition to ensuring that human rights are respected internally, the Company also ensures that they are respected among its suppliers. Asseco Poland obtains statements from its suppliers, including a statement on respect for human rights. Any violation of compliance with applicable laws, including human rights laws, is grounds for non-cooperation or termination and placement of the supplier on the list of prohibited suppliers.

The Company applies due diligence procedures with respect to the issue of human rights among its suppliers. The Company confirms its compliance with the above rules by collecting statements from suppliers.

Significant risks identified in the area of respect for human rights

Risk of violation of human rights in the Company

As in any large organization, also in Asseco Poland there is a certain risk of human rights violations. Such risks may materialize through violations of dignity or discrimination among employees. A human rights violation situation at the Company would have negative reputational effects both inside and outside the organization.

The Company manages risk by ensuring clear and transparent rules of conduct towards its employees and by introducing regulations aimed at preventing potential violations in the area of human rights.

Risk of human rights violations among the Company's suppliers

Despite the Company's assurance of internal regulations guaranteeing respect for human rights, there is a risk of violations of these principles among suppliers. The use of human rights abusers would have a negative reputational impact on the Company and could also affect the morale of its employees.

The above risk is managed by obtaining declarations of respect for human rights from suppliers and ongoing observations during cooperation. Information on violation of human rights by a supplier may be sanctioned by the Company with termination of cooperation.

6. ANTI-CORRUPTION ISSUES

The anti-corruption policy at Asseco Poland is regulated by: the Bylaws of the Supervisory Board, the Bylaws of the Management Board, the Code of Ethics and Business Conduct, the Compliance Policy, the Vademecum on Counteracting Corruption and Conflict of Interest, the Bylaws of Obligations of a Listed Company, as well as the Purchasing Policy.

Anti-corruption prevention and control activities are implemented at various levels of the organization and are necessary to ensure its proper functioning. In accordance with the Company's Code of Ethics and Business Conduct, the Company does not condone the acceptance or provision of illicit benefits, any form of extortion or corruption, or the illegal trading of money. We at Asseco Poland work on the principle of zero tolerance for corruption.

Table 29. Cases of corruption in 2021

Total number of confirmed corruption cases
0

We conduct our business in compliance with the standards set forth in the Code of Ethics and Business Conduct, the Vademecum on Counteracting Corruption and Conflict of Interest, and the Work Regulations.

Asseco Poland takes care to observe the principles of ethics among its employees from the very beginning of their employment. Training is provided in this area during the adaptation block for newly hired employees and associates.

Table 30. Employees trained in compliance and ethics

Participation of employees who received "Compliance and Ethics" training as part of the adaptation block
95%

In addition to adaptive block training, mandatory e-learning courses on data protection, information security and cyber security are provided, as well as compliance training for all employees and associates. The mandatory training cycle is repeated every two years.

The Company has implemented communication channels dedicated to reporting violations, including those related to corruption and conflicts of interest. There is an anonymous whistleblower channel in force with full protection of the whistleblower from negative consequences of the report, which can be used by all employees, colleagues and third parties.

The Company's procurement process is designed to ensure transparency in supplier selection. As of 2019, the purchasing function at Asseco Poland is centralized and performed by the Purchasing Department, which consists of the Purchasing Office and the Logistics Office. The Company's purchasing policies have been established so that supplier selections are transparent and accountable.

Asseco Poland has in place documents defining the principles for cooperation with its suppliers, including the principles of purchase ethics, rules for qualification of suppliers, and General Terms and Conditions of Purchase. According to them, suppliers commit to act in accordance with the principles of fair competition and observe good business practices.

Significant risks identified in the area of counteracting corruption

Corruption risks

Asseco Poland manages the above-mentioned risk by implementing its procurement policies, preventing corruption and conflicts of interest, and improving employee awareness. Purchasing compliance is audited periodically by the Purchasing Office (as part of the second line of defense), and the purchasing process is audited by the Internal Audit Department in accordance with the audit plan established for the year (as part of the third line of defense).

The Management Board Members' signatures to the report of Asseco Poland S.A. on non-financial information for 2021:

Adam Góral	President of the Management Board
Andrzej Dopierała	Vice President of the Management Board
Krzysztof Groyecki	Vice President of the Management Board
Marek Panek	Vice President of the Management Board
Paweł Piwowar	Vice President of the Management Board
Zbigniew Pomianek	Vice President of the Management Board
Karolina Rzońca-Bajorek	Vice President of the Management Board
Sławomir Szmytkowski	Vice President of the Management Board
Artur Wiza	Vice President of the Management Board
Gabriela Żukowicz	Vice President of the Management Board

Technology for business, solutions for people.

[Asseco Poland S.A.](#)

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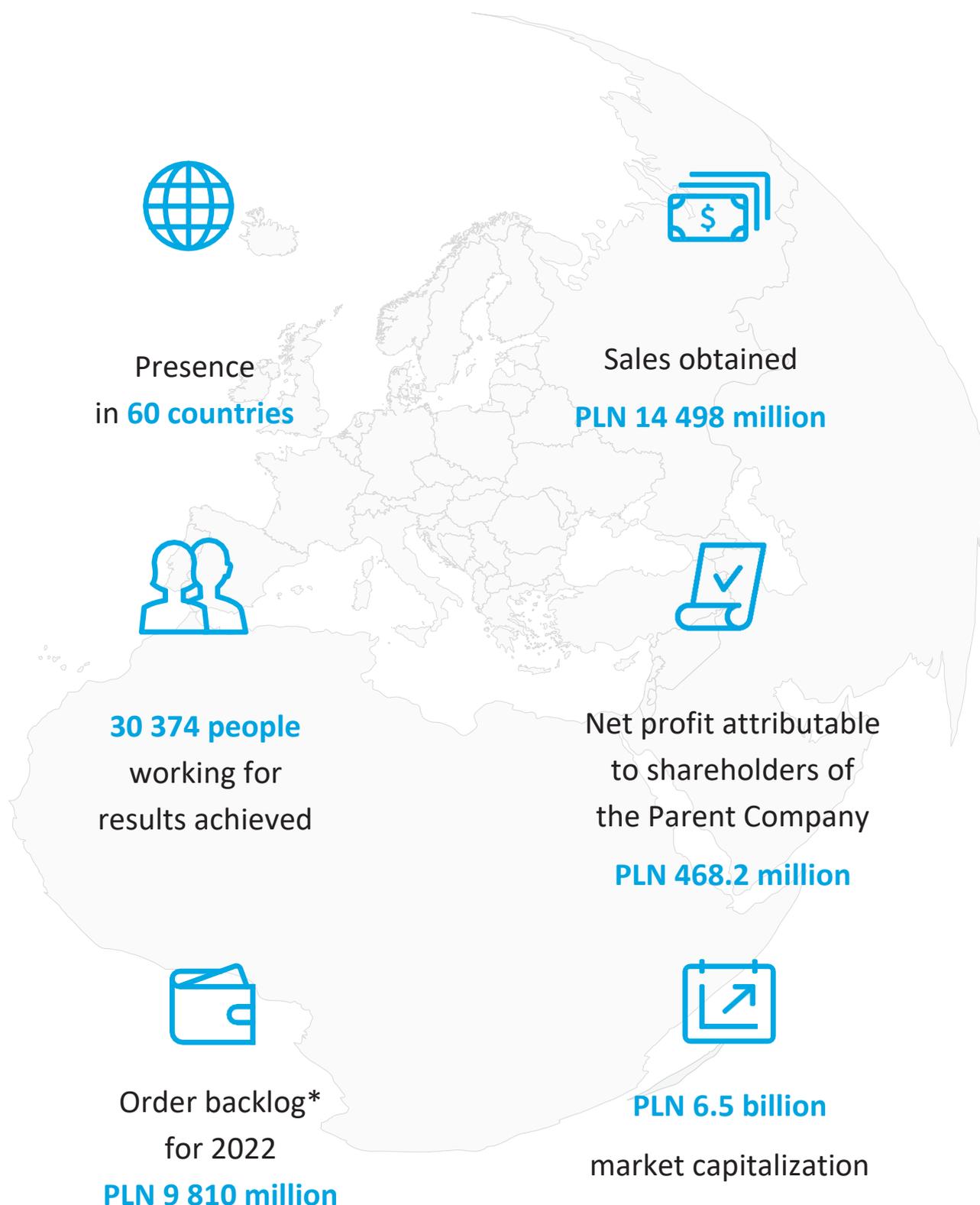
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ASSECO



The Asseco Group's report
on non-financial information for 2021

ASSECO



* Applies to proprietary software and services

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INTRODUCTION

We are hereby presenting the Asseco Group's (hereinafter referred to as the "Group", the "Asseco Group") report on non-financial information for 2021 (hereinafter referred to as the "report") covering the Group's non-financial information for the period from January 1, 2021 to December 31, 2021. The report has been prepared taking into account the provisions of the Accounting Act of September 29, 1994, the European Commission's guidelines on reporting non-financial information as well as the national Standards on Non-Financial Information (SIN) and the international guidelines of the Global Reporting Initiative (GRI).

The selection and description of the policies as well as the performance indicators presented in the report have been made on the basis of the materiality criterion, taking into account internal and external factors relating to the Group's operations. The main factors considered during the materiality assessment were:

- the industry in which the Group operates,
- its business profile and market environment,
- the extent of impact on the local community and environment,
- stakeholder expectations.

The data presented in the report are reviewed and updated at annual reporting periods and published regularly with the reports for subsequent fiscal years.

All policy descriptions and indicators in the report have been prepared taking into account data from the parent company and the subsidiaries identified later in the report.

When converting the amounts presented in the report into PLN, an average exchange rate announced by the National Bank of Poland (NBP) as at December 31, 2021 was adopted:

- EUR 1 = PLN 4.5994,
- GBP 1 = PLN 5.4846.

1. DESCRIPTION OF THE GROUP AND ITS BUSINESS MODEL

Asseco Group

The parent company of the Asseco Group is Asseco Poland S.A.

The Asseco Group is a federation of companies operating in 60 countries on 5 continents, which combine the competencies of a software and services company and a producer of technologically advanced software. The Group cooperates with companies and institutions from key sectors of the economy, including banking, energy, insurance, telecommunications, public administration and healthcare.

It is essential for the Asseco Group to be diversified in terms of products, sectors, and geography in order to avoid dependence on one or a few clients and suppliers. This approach allows us to significantly offset the impact of negative market factors on the Group's operations. Owing to such geographical diversification, the risk of adverse effects of local factors on the Group's operations is considerably reduced, while a wide range of products makes Asseco more resilient to potential downturns in individual market sectors.

The Group distinguishes three major operating segments: the Asseco Poland segment, the Formula Systems segment, and the Asseco International segment. The Group's companies operate primarily in the Polish, Israeli, Central European, Southeast European, and West European markets, as well as in the US and Portuguese-speaking African countries.

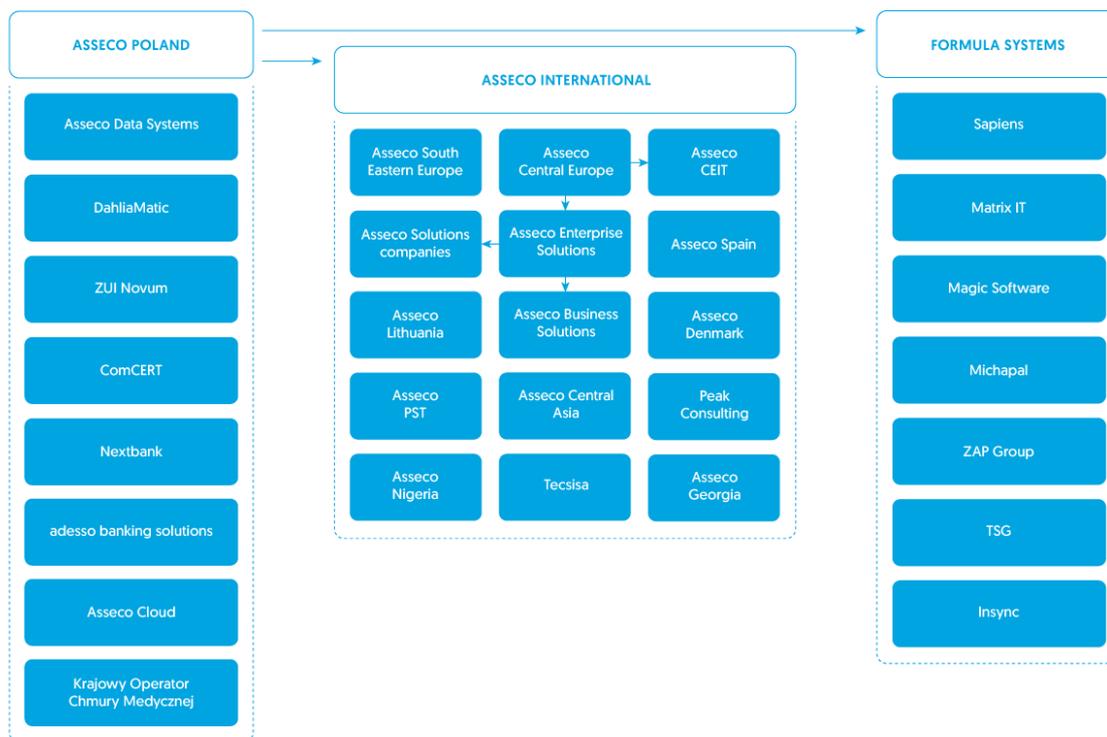


Figure 1. Simplified structure of the Asseco Group

The complete structure of the Group and a description of changes which took place therein during 2021 has been presented in explanatory note 3 to the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021".

Development strategy

The Asseco Group strategy focuses on creating long-term value for our stakeholders through organic growth and acquisitions.

The Asseco Group strategy of organic growth is focused on the production and sale of proprietary software and IT services to the global market. The Group's activities are based on sectoral technological and business competencies. Asseco offers comprehensive solutions for entire industries, and also sells standardized products for smaller entities.

For many years the Asseco Group has pursued an effective acquisition policy both at home and abroad. Since 2004, Asseco has successfully completed over 115 acquisitions, repeatedly increasing the scale of its operations and geographical reach.

In its acquisition activities, the Group focuses primarily on increasing its competence in core business sectors, entering new geographical markets or reinforcing the Asseco Group's position in the countries where it has been already present.

Owing to our ongoing geographical expansion and enlargement of the portfolio of products and services offered, the Asseco Group has been increasing its revenues and operating profits for years.

The mission of Asseco Poland and the Asseco Group is to improve the quality of life by providing solutions for people and technologies for business.

According to the vision:

- Asseco Poland wants to be reliable and fast, with the best product and service to support customers around the world in achieving their goals. Its employees form a competent, passionate team combining traditional values with modern operations,
- the company is building an international group of technology companies whose federation model allows it to take advantage of local entrepreneurship and market knowledge, while the company's affiliation with the group increases its execution capabilities and credibility with demanding clients.

Market position of the Group

Asseco is one of the leading software producers in Europe.

In the industry report on the Polish IT market Computerworld TOP200 (edition 2021)¹⁾ Asseco Poland ranked 1st in five categories. The Asseco Group generated record revenues of over PLN 12 billion in 2020, up 14% year on year. This result once again ensured the Group first place in the category of the "Largest IT capital groups operating in Poland – Leaders of digitization in Poland". Asseco Poland is also invariably the largest provider of IT solutions and services for the public administration and uniformed services, as well as for large companies and enterprises. It also maintained its position as the largest provider of maintenance services. Its intensive development has also enabled it to be promoted to the 1st place as the largest custom software vendor, the 2nd place in the category of the largest providers of integration services and the 3rd place among the largest providers of IT services and solutions and IT services for the telecommunications sector. Asseco is also among the top companies with the highest net profit, R&D expenditures, as well as those providing integration services and cooperating with the healthcare sector.

High positions in the latest Computerworld TOP200 ranking were also occupied by other Asseco Group companies: Asseco Business Solutions remained at the 1st place in the category of the largest providers of Enterprise Resource Planning (ERP) systems and Asseco Data Systems ranked 2nd among the largest providers of training services.

Asseco Poland is also a leader in five categories of the ITwiz BEST100 ranking²⁾, which is a list of the largest IT companies in Poland. The Asseco Group achieved the highest revenues in the IT industry. In addition, for yet another year in a row, Asseco Poland ranked 1st in the categories of companies with the highest revenues from sales to government and uniformed services, large companies, as well as servicing and integration services.

Other Asseco Group companies also ranked high in the ITwiz BEST100 ranking. Asseco Business Solutions once again became the leader in the category of companies with the highest sales of ERP systems. In turn, Asseco Data Systems ranked 2nd among companies with the highest revenues from training in Poland, 3rd in the category of companies with the highest revenues from sales of application implementation services and 4th place among companies with the highest sales of ECM (Enterprise Content Management) class systems.

The Group's value creation is based on two pillars: development of proprietary software and services and increasing the scale of operations through acquisitions.

The Group's business model is based on building value by delivering proprietary software and IT services to business and public administration clients based on the best experience of the Group companies. Sales of proprietary software and services accounts for 78% of the Group's revenues.

The federation model

The Asseco Group operates based on a unique cooperation model – the federation model.

¹⁾ Computerworld TOP200, Ranking of IT and Telecommunications Companies, Edition 2021, ranking by achieved sales for 2020.

²⁾ ITwiz BEST100, Edition 2021, ranking by sales achieved for 2020.

Asseco Poland, as the Parent Company, is a majority shareholder in the companies incorporated within the Group, yet it does not seek to own 100% of shares and integration of their members.

Acquisition targets are primarily profitable entities with specialized and dedicated staff that will allow the Group to increase its competence in key business sectors, enter new geographic markets or strengthen its position in countries where it is already present.

The functioning of the Group in the federation model is based on mutual trust, people-based business and a set of clearly defined rules of cooperation between Group entities. Therefore, companies acquired by Asseco retain their local character and are often managed by the existing owners and management staff.

The benefits that the Group derives from this model of cooperation are:

- strengthening market position and customer confidence,
- access to interesting, locally well-known product solutions,
- knowledge of local markets, customers, business environment and unique considerations,
- access to local teams of native-speaking staff,
- responsible business conduct in relation to local stakeholders.

Companies that become part of the Asseco Group can count on:

- access to the products and experiences of other Group members,
- access to the Asseco Group sales network,
- financial empowerment,
- an international brand and a strong market position,
- access to global contracts with equipment suppliers.

Such a model of cooperation creates room for sales and cost synergies in the Group's operations. Its activities are geared towards the long-term improvement of the performance of its component companies.

2. EMPLOYEE ISSUES

Personnel policy

Due to the specific nature of the IT business and the fact that the success of a company in this industry is determined primarily by the knowledge and practical skills of its employees, the issues related to employment, employee development and the creation of an appropriate work environment are of key importance to the long-term sustainable development of the Group.

The Asseco Group does not have a uniform policy in the area of labor and social issues, which results directly from the federation model of cooperation within the Group. The companies comprising the Asseco Group maintain a wide range of autonomy in their operations, and because they operate in different geographical locations and, consequently, in different legal, economic, and social conditions, the possibility of pursuing a uniform policy in this respect is significantly limited.

Owing to an international nature of the Group, the HR policy is implemented in compliance with the legal regulations applicable in the countries where individual Asseco Group companies operate as well as with the internal procedures and standards applied by these companies. Notwithstanding the above, the processes for attracting, retaining and developing employees are based on the company's competency model, which organizes employees' tasks and roles and supports the formation of a culture focused on customers, quality, performance, cooperation and professional development.

As at December 31, 2021, the Asseco Group employed 30 374 people, compared with 28 009 at the end of the previous reporting period. Average employment during the 12 months ended December 31, 2021, taking into account salaried positions, i.e. employment in full-time jobs adjusted (less) for jobs for which the Company does not pay remuneration (e.g. unpaid leave, maternity leave, other) amounted to 29 256 versus 26 831

in the period of 12 months ended December 31, 2020. The calculation of these positions includes companies that joined the Group during the reporting period (in proportion to their period of consolidation) and excludes companies whose results are included in other operating activities or discontinued operations.

Table 1. Employment by department as at December 31, 2021

Total employees	Production departments	Sales department	Administrative departments	General management
30 374	26 335	1 662	2 143	234

The recruitment process in Group companies respects the principles of equality in terms of gender, origin, age, beliefs and other factors concerning the diversity of candidates. Due to the specificity of the industry, in the recruitment process the greatest importance is attached to the practical knowledge and qualifications of employees, which affects the selection of people with competencies best suited to a given position. Clear criteria are defined and an objective evaluation of qualifications ensures that job applicants have equal opportunities.

Table 2. Employment by gender as at December 31, 2021

Total employees	Women	Men
30 374	12 496	17 878

Table 3. Employment by age as at December 31, 2021

Total employees	Up to 30 years	31-40 years	41-50 years	51-60 years	Over 60 years
30 374	8 545	10 293	7 300	3 177	1 059

The Asseco Group provides an opportunity to perform work using electronic and other means of individual remote communications. Considering the risks associated with the COVID-19 pandemic, solutions have been put in place at Group companies that include extensive use of remote working.

The Asseco Group companies also conduct development programs for students and graduates in order to identify individuals with high potential. Participants in these programs have the opportunity to implement ambitious IT projects for companies in key sectors of the economies of individual countries. They also take part in numerous specialized and soft training courses.

Table 4. Number of participants in student and alumni development programs in 2021

Number of participants in internship and graduate programs
324

The Asseco Group has two trade unions: one in ZAP Group, which is a member of the Israeli trade union of companies operating in mobile/internet/hi-tech industries, and the other in Asseco Data Systems (Independent Self-Governing Trade Union "Solidarity").

Table 5. Number of trade unions

Total number of registered trade unions
2

Evaluation and employee development

Employees and co-workers of the Asseco Group companies are subject to regular evaluation processes.

Employee evaluation is performed in order to determine: the level of completion of assigned tasks, quality, timeliness and manner of their accomplishment as well as – which is essential – whether an employee's or co-worker's conduct is consistent with the values of individual Asseco Group companies. In addition, the following are assessed: fulfillment of individually set goals and development plans – using such tools as substantive training, conferences, certifications, postgraduate and doctoral studies, language courses and individual development sessions.

Training is provided by external entities or internal trainers as needed. Due to COVID-19, for most of 2021, development activities, as well as induction processes for new hires to fill positions and interns/trainees, were conducted remotely.

Some Group companies also place great emphasis on developing the language skills of their employees, including English, German and Spanish. Within the Asseco Group, language courses are financed or co-financed by: Asseco Poland, Asseco Business Solutions, Asseco Data Systems, and some of the Asseco Central Europe Group companies, Matrix IT and Asseco PST. Another area being developed is managerial competence. Training or coaching is offered, among others, by Asseco Poland, Asseco Business Solutions, Asseco Data Systems, Matrix IT, ZAP Group, Peak Consulting, and Asseco PST. Our employees are also developed through the implementation of mentoring programs conducted, for example, in the companies of Asseco Business Solutions and Asseco Central Europe.

Asseco Poland, as well as Asseco Central Europe operating in the markets of Slovakia and Czech Republic, have established a platform for employees to share their know-how and experience in order to improve their programming and database skills.

Peak Consulting has launched an internal e-learning platform, "Peak Academy", available to every employee, which offers a wide range of training courses conducted with different methods and tools in order to be most effective for every employee.

Asseco Data Systems, operating on the Polish market, every year carries out a number of employee development activities, including specialized and managerial trainings as well as executive coaching.

Asseco Lithuania has been implementing the project "Training of employees and improvement of their competencies" funded by the European Social Fund since 2019. Its purpose is to improve qualifications, expand knowledge and acquire specific skills for both existing and new employees. Additionally, once a year Asseco Lithuania organizes a meeting of all the company's employees to discuss the activities performed by individual departments, which supports the exchange of information within the company.

The main initiatives undertaken at Asseco South Eastern Europe Group (hereinafter "ASEE") in the area of training and development are focused on acquiring and expanding technical knowledge among programmers and engineers as well as on developing soft skills for the top management (leadership effectiveness). Dedicated training is also provided to all employees to acquire specific skills. Major areas in which employees were trained: technical skills, sales training, soft skills training, leadership training, financial management, software tools training, and on-the-job training.

Table 6. Development activities in 2021

Number of development activities carried out	Number of employees trained*
3 583	30 428*

* Employees may have participated in more than one development activity.

Additional non-wage benefits

The Asseco Group offers extra benefits to employees of individual companies. These vary from entity to entity and have not been standardized at the Group level. The most common non-wage benefits include:

- subsidizing medical care for employees and their relatives (e.g. Asseco Poland, Asseco Data Systems, Asseco South Eastern Europe, Asseco Central Europe, Asseco Business Solutions, Asseco Denmark, DahliaMatic, Magic Software, Matrix IT, Asseco Lithuania, ZAP Group),
- subsidizing subscriptions to sports facilities or sports events (e.g. Asseco Poland, Asseco South Eastern Europe, Peak Consulting, Asseco Business Solutions, Asseco Data Systems, DahliaMatic, Asseco Central Europe, Magic Software, Asseco Lithuania , Asseco Denmark, and Matrix IT),
- additional life or health insurance, retirement plans (e.g. Asseco Poland, Asseco South Eastern Europe, Asseco Data Systems, Asseco Denmark, Asseco Spain, DahliaMatic, Asseco Lithuania, Asseco PST, Magic Software, Peak Consulting),
- subsidizing access to cultural events (e.g. Asseco Data Systems, Asseco Central Europe, Asseco Lithuania, Formula Systems, Asseco PST, and Matrix IT),
- subsidies for recreation (e.g. Asseco Business Solutions, Asseco Data Systems, Matrix IT),
- subsidized meals (e.g. Asseco South Eastern Europe, Asseco Denmark),
- reimbursement or contribution to the cost of commuting to work (e.g. Asseco Lithuania, Peak Consulting, Asseco South Eastern Europe, and Asseco Central Europe
- additional support for the disadvantaged (e.g. Asseco Poland, Asseco Business Solutions),
- providing fresh fruit/healthy snacks (e.g. Asseco Poland, DahliaMatic, Asseco Denmark, Asseco Central Europe).

Apart from the above-mentioned benefits, there are also other benefits which are specific to individual companies of the Asseco Group, such as additional three days off in addition to the statutory holidays that may be used for relocation or taking care of a child during the first day of school (Asseco Central Europe), bonuses/allowances related to seniority (Asseco Central Europe, Asseco South Eastern Europe), use of company leased bicycles (Asseco Central Europe, ZAP Group), birthday gifts (Magic Software), grants for the purchase of computers (DahliaMatic), grants for the purchase of eye glasses (Asseco Poland, Asseco Data Systems), preferential fees for kindergarten (Asseco Spain), financial compensation in the event of a birth or loss of a close relative (Asseco South Eastern Europe), or support for the purchase of additional equipment for a remote workstation (Asseco Lithuania).

Significant risks identified in the area of employee issues

Risk of increased labor costs

The most significant portion of the costs associated with the projects are salary costs. With such high level of human resource input, an increase in salaries may adversely impact the margins realized on projects and consequently the results of the Asseco Group.

Management of the risk of an increase in labour costs by the Group companies consists in applying measures which reduce the probability of negative effects occurring when salaries change in particular markets. The Asseco Group mitigates this risk by constant monitoring of salaries and maintaining an appropriate structure of employment within particular levels of competence.

Risk of losing key employees

Operations of the Asseco Group companies and their development outlook depend to a large extent on the knowledge, experience and qualifications of employees, who implement the IT projects. High demand for IT specialists and the actions of competitors may lead to the departure of key personnel, as well as make it difficult to recruit new employees with the appropriate knowledge, experience and qualifications. There is a risk that resignation of key personnel will have a negative impact on the execution of IT projects carried out by the Group companies as well as on ensuring proper quality and range of services, which in turn might have a negative impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

The Group manages the above risk by monitoring key positions – from the point of view of its operations – and ensuring appropriate motivation for employees. In addition to financial motivation based, among other things, on a performance-based bonus system, individual Group companies also provide employees with broad access to training and non-wage benefits.

3. SOCIAL ISSUES

Charitable activities and employee volunteering

In the Asseco Group, each company independently implements corporate social responsibility (CSR) activities based on its individual budget and the needs of the local community. The lack of centralized operations at the Group level is a direct result of the federation business model.

In 2021, Asseco Poland implemented the #AssecoForChildren charity campaign, which aimed to support the most needy students with access to knowledge. It provided 300 laptops along with mobile internet access. The total value of funds donated to this campaign was over PLN 730 000.

Other social projects carried out by the Group include the "We Bring Help" Christmas campaign organized by the employees of Asseco Poland and Asseco Data Systems. Its purpose is to provide financial support to organizations and individuals who provide assistance to those most in need or carry out environmental activities.

Asseco employees not only identify the institutions that will receive help, but also devote their time by engaging in charitable activities throughout the year. Each employee can submit an idea of who they want to help and in what form. In 2021, the value of support exceeded PLN 150 000.

Asseco Business Solutions, a company operating on the Polish market, has taken part in the "Szlachetna Paczka" project in 2021. As part of the campaign, employees of this company collected the amount of more than PLN 26 000 that was transferred to the Program beneficiaries. In addition, volunteers of this company participated in the tree planting action.

The companies of the Asseco Central Europe Group run the "Our City" program in their local offices. Volunteer activities are organized to help the local community. The companies support a single mother's club, a senior citizen's home, a children's cancer hospital, a school for autistic children and a hospital in Bratislava. In addition, local universities, museums, children from orphanages, seniors and people with disabilities received support. Companies in this group also provide material aid to families in difficulty, offer book-buying support to children, and donate a portion of their taxes to non-profit organizations. In addition, in 2021, the companies' employees decided to donate the Christmas gift budget to charitable foundations.

Asseco South Eastern Europe Group promotes and supports CSR activities and encourages its employees to get involved in social initiatives. Croatian employees were involved in helping to restore the high school's fence, which was damaged after a strong earthquake. In addition, they participated in the UNICEF charity run "The Milky Way race" to benefit children with disabilities. ASEE in Macedonia donated IT equipment to the Institute of Immunobiology and Human Genetics, while ASEE in Romania donated PLN 147 000 to UnitedWay's online education program for children and several other foundations, including "Daruieste Viata" which is involved

in building a hospital for children with cancer. Necomplus, an ASEE company, focused its efforts on online events promoting the integration and cultural diversity of its national workforce. In addition, an action called "NecomCare Day" was organized in October 2021, during which employees took part in an active morning promoting various sports activities. Donations raised at the event were given to local non-profit organizations to help women with breast cancer in their respective countries. ASEE Group company in Spain sponsored a calendar for APSA, an organization that helps people with disabilities, on the occasion of Christmas.

In November 2021, the male employees from Matrix IT participated in the global Movember campaign to raise awareness about men's mental health, prostate and testicular cancer. The amount raised was donated to a foundation that organizes research on male genital cancer.

Asseco PST, a provider of comprehensive solutions and software for the banking sector, operating in Portugal and Portuguese-speaking African countries, conducted relief operations for the Cabo Delegado Province in Mozambique. It also delivered food to children in Mozambique and Angola. It has supported families in financial distress in Madeira, including through food and book deliveries and donations to purchase essential household appliances. In 2021, the company supported a food collection campaign, as well as the Make-A-Wish non-profit foundation fulfilling the dreams of children struggling with serious illnesses. It has also purchased sleeping bags for homeless aid stations in Lisbon and Funchal. In addition, the company supported the Portuguese sports club Almada by providing the necessary sports equipment.

Asseco Lithuania supported scientific and cultural organizations and people in difficult economic situation by making donations to the disabled, sick children, children from orphanages or poor families, elderly and lonely people. Charity campaigns are long term and focused on building lasting relationships with beneficiaries. In 2021 Asseco Lithuania was a co-organizer of IT competitions and conferences, e.g. for mathematicians and computer scientists at Vilnius University. The company also supported the initiative of the Red Nose Doctors Clowns association, which organizes online entertainment sessions for children in hospitals, the Lithuanian Red Cross, and other initiatives such as the Public Library of the Year competition.

Asseco Spain continued to run the "Fundación Asseco" foundation established in 2020, which aims to provide health centers, hospitals and schools with tools to support the digitization of these institutions. Additionally, the company employs people with disabilities through the Goodjob Foundation.

ZAP Group has made donations to non-profit organizations in the form of digital advertising or website design. In addition, it provided Christmas gifts to those in need, conducted employee charity events, and provided regular flower deliveries to hospitals free of charge.

Other Asseco Group companies are also engaged in charitable initiatives, such as support for children, young people and families in difficult financial situations, people with disabilities, or shelters for homeless animals. The Group's employees also take part in sporting events, from which part of the proceeds is donated to charity.

The Group's employees participate in substantive events for IT professionals and students and graduates. For example, Asseco Poland is actively involved in the promotion and training of Polish programmers. The company's experts lecture at universities across the country, and the best students and graduates can join the Asseco team. With their development in mind, the proprietary Asseco Starter program has been created. The sixth edition of the program enrolled 28 students in a 3-month internship and 22 students in a 9-month graduate program.

In 2021, 70% of the trainees in the Asseco Starter program decided to continue their employment with Asseco Poland. In total, nearly 180 interns and nearly 100 graduate students have participated in the program over a 6-year period. Every year Asseco Lithuania actively supports the Faculty of Mathematics and Computer Science at the Vilnius University, whose graduates account for more than half of the company's current employees.

Table 7. Number of employees engaged in employee volunteerism in 2021

Number of employees involved in volunteering
1 905

Table 8. Amount allocated for donations and grants in 2021

Area	Amount [PLN]
Education	1 859 000
Social assistance	1 105 000
Health care	887 000
Sports	138 000
Other	69 000
Total	4 058 000

In connection with the war in Ukraine, the Group companies have provided assistance to the inhabitants of this country. As at the date of publication of this report, Asseco Poland has contributed nearly PLN 2.5 million for this purpose. The company has also established cooperation with non-governmental organizations (NGOs) and with the crisis staff of the Rzeszów City Hall and the City of Warsaw. In addition, Asseco Poland employees have become involved in helping refugees. A dedicated team supports the ongoing relief efforts. Other companies of the Group that decided to provide financial support to refugees include Asseco Business Solutions (PLN 300 000) and Asseco Central Europe (PLN 150 000). DahliaMatic, in turn, set up a “piggy bank” as part of a collection organized by the Siepomaga Foundation. The amount raised by March 4, 2022 was doubled by its management board, bringing the total to more than PLN 36 000 to the foundation. Additionally, many employees of Asseco Group companies organize a number of grassroots initiatives, such as collecting foodstuffs, clothes, toys, or organizing overnight stays.

Asseco Group vs COVID-19

Faced with COVID-19, the Asseco Group has undertaken a number of relief efforts since the beginning of the pandemic. Many of the activities launched in 2020 were continued in 2021.

Asseco South Eastern Europe successfully deployed its "Live" product at the information center of the Government of the Republic of North Macedonia, which was designed to support businesses and citizens with economic issues while coping with the crisis caused by the COVID-19 pandemic.

Asseco Central Europe also remains active in the healthcare sector. The Company is pursuing a number of development initiatives in this area. One of them is to create IT tools that will enable the development of telemedicine, for which Asseco Central Europe will allocate more than PLN 32 million, of which more than PLN 4.5 million will come from its own resources, while the remaining amount will be subsidized by the European Union. The project began in February 2021 and will run through June 2023. Asseco Central Europe, in cooperation with the Slovak University of Technology in Bratislava, the University Hospital in Martin, the Jessenius Faculty of Medicine in Martin and the Comenius University in Bratislava, has developed the MEDasistent application to help fight the pandemic. It allows patients to be monitored and evaluated remotely without hospitalization. Owing to it, the attending physician is able to check the patient's health status and catch the moment when their condition worsens. The application is intended to relieve the burden on medical staff, save hospital resources and increase the number of available beds for seriously ill patients. Through the MEDasistent app, the doctor has an overview of the patient's results and is therefore able to monitor the patient's current health status and determine further treatment quickly, efficiently and at regular intervals. The app resulted in 82 patients being treated in 3 months of 2021, 69 of whom were not hospitalized.

During the period reported Asseco Data Systems was engaged in intensive efforts to implement security and trust services, including electronic signature, in companies and institutions. The company participated in standardization work at the national and European level related to video-verification of identity, on the basis of which it is possible to issue qualified certificates for electronic signature and electronic seal. Asseco Data Systems developed a platform for the management of HR processes in business, as well as integrated IT solutions for the management of universities, teaching processes, and development of employee competence. Asseco Poland cooperates with more than 50 universities in Poland. Asseco Academy, which for years has been one of the leading providers of training courses in the Polish market, reacts dynamically to changing needs of its customers and adapts its offer to them. Its portfolio includes over 600 trainings. More than 65 000 have been completed to date, attended by over 500 000 people from 35 000 companies. The company also focused on activities related to the digitization of local government entities. Its solutions are used by more than 220 local governments. Activities focusing on the implementation and monitoring of smart city services (Smart City) were also implemented.

Asseco Business Solutions offered its clients the transfer of a portion of their sales processes to the so-called virtual reality. The purpose of this process was to enable them to start effective digital cooperation with retail chains and stores through the online platform Direct Portal by Asseco. Direct Portal by Asseco allows manufacturers to complement traditional in-store sales visits with remote cooperation and direct communication with retail chains and outlets. In addition, the system helps manufacturers maintain ongoing relationships with their contractors and supports their field sales forces in successfully achieving their goals. The company has also consistently expanded its range of products and services that enable commercial processes in e-commerce channels (B2C, B2B, D2C). A number of new functional capabilities were introduced to the solutions supporting this sales channel in 2021, and their scope of integration with external systems was increased. As far as ERP class solutions are concerned, a number of functionalities were implemented, allowing users to practically implement the idea of "paperless" digitization of key business processes. The systems of Softlab ERP, Macrologic ERP, and Wapro ERP offer solutions (HR Portal and Businesslink by Asseco) that enable electronic exchange of documents with customers and suppliers and, through a managerial and employee portal, with the employed staff, also with the use of electronic signature.

Sapiens, which operates in the Israeli market, organized a vaccination campaign against COVID-19 at the Sakra World Hospital in India in 2021. This campaign was designed to promote actions improving the overall situation, as well as safety and health.

Sponsorship

The Asseco Group works for the development of sports and supports local sports teams.

The Asseco Poland Group supports local sports teams – Asseco Poland is the main sponsor of Asseco Resovia Rzeszów volleyball team and Asseco Arka Gdynia basketball team, which is also supported by another Group company, Asseco Data Systems. Asseco Data Systems is also a sponsor of the volleyball team KS Pałac Bydgoszcz.

In addition, Sapiens sponsored the 2021 Virtual TINtech Conference, which covered topics including how technology supports and enables effective business and operating models and delivers efficiencies and transforms the customer experience, and a panel discussion, "Digital Underwriting To Drive Sensful Growth", where employees with years of experience could share their professional stories.

Table 9. Amount allocated to sponsorship in 2021

Area	Amount [PLN]
Sports	14 414 000
Conferences, hackathons	402 000
Total	14 816 000

Mental and physical well-being of the Asseco Group employees

The Asseco Group supports its employees' physical activity. It also provides psychological support, especially important during the coronavirus pandemic. Employees of the Group companies were able to take advantage of the online formats implemented in 2021:

- sports activities (e.g. yoga, pilates),
- webinars on work ergonomics,
- webinars on pandemic safety rules,
- webinars on various psychological aspects, including stress management, mindfulness or work-life balance,
- webinars on healthy lifestyles, including healthy eating,
- "virtual clinic" visits,
- activities for children (e.g. theater productions, art and music classes).

Table 10. Activities to promote healthy lifestyles in 2021

Number of programs	Number of employees participating in programs*
63	9 337*

* Employees were able to participate in more than one program promoting healthy lifestyles.

In addition, the Asseco Group companies fully control the presence of their employees in the offices, ensuring all protective measures. Employees are given the option of using office equipment at home to work remotely.

All team building events were completed online this past year, during which the employees, among other things, cooked together, visited virtual escape rooms or created wax products and Christmas decorations.

The Asseco Group also maintains a documented dialogue with employees in the form of surveys and studies of their involvement and satisfaction. This practice is followed, among others, by Asseco Lithuania, which regularly takes care of the mental health and well-being of its employees in the era of COVID-19.

Asseco Poland conducted another edition of employee satisfaction and engagement survey in 2021. It addressed various areas of organizational performance, including evaluating the effectiveness of remote work, internal communication, opportunities for growth during the COVID-19 pandemic, life-work balance, and workflow and customer orientation. Through the survey, the company has identified priorities for company-wide and local activities in individual business units.

Peak Consulting was named a "Great Place to Work" in 2021. As a consulting firm whose success depends on employee satisfaction, Peak Consulting is successfully committed to providing the best possible work environment and establishing and maintaining strong community relationships.

Significant risks identified in the area of social issues

The risk of dissatisfaction with a reduction in the scope of actions carried out

The Group conducts numerous and extensive social and sponsorship activities. There is a risk that the abandonment of any of the current activities could lead to dissatisfaction on the part of employees and the communities benefiting from the activity, with a consequent negative impact on the Group's image.

The Group manages risk through ongoing monitoring of its activities, their image scale.

4. CLIMATE AND ENVIRONMENTAL ISSUES

The IT industry in which the Asseco Group operates is characterized by a relatively low impact on the natural environment. These activities do not produce significant emissions, generate significant amounts of waste, or consume environmentally important raw materials. The scale of the environmental impact is related to the scale of operations and waste generated by the employees and the electricity consumption and car use per employee.

The Asseco Group does not have a uniform policy on environmental issues, which results directly from the federation model of cooperation within the Group. Owing to their geographical dispersion, companies comprising the Asseco Group are subject to various legal regimes and, consequently, to different environmental protection requirements.

Despite the lack of a uniform environmental policy, companies of the Asseco Group act in compliance with the requirements of applicable legal acts. They strive to make the company sustainable by minimizing the negative impact on the environment. In their day-to-day operations, the companies pay particular attention to the issue of electricity consumption, as well as to their obligations to recycle electrical and electronic equipment, which is the primary working tool of the Group's employees. Other types of waste, other than municipal waste, typical for the Asseco Group companies are: used filters from ventilation systems, batteries and accumulators, packaging waste (cardboard, glass, and wood packaging, as well as packaging contaminated with or containing residues of hazardous substances or mixtures used to maintain cleanliness and hygiene of sanitary facilities or rooms). This type of waste is transferred to waste treatment plants with appropriate permits for transport, collection and processing in accordance with the legal regime of the country in which the company operates.

The Asseco Group companies take active measures to improve their energy efficiency, which translates into both environmental benefits and lower costs of our operations. For example, in the long term, ZAP Group is planning to implement greenhouse commissioning to use alternative energy. In turn, ASEE Group verified the source of energy with their suppliers in each country in 2021 and noted that 11% of the energy was generated by renewable energy sources. The remaining 89% is referred to as "non-renewable". ASEE Group has declared its willingness to analyze the possibility of increasing the acquisition of used energy from renewable sources. In turn, Asseco Poland strives to minimize electricity consumption by implementing such solutions as replacing LED lamps in offices, purchasing energy-efficient equipment, replacing cars from the fleet with more fuel-efficient ones, or installing timers at water dispensers and motion sensors in toilets.

Furthermore, depending on specific legal requirements in a given country, companies are obliged to record other data related to environmental impact, e.g. the Polish companies of the Asseco Group are obliged, among others, to record their fuel consumption and incidental emissions of fluorinated greenhouse gases for the purposes of reporting.

In October 2021, another Group company, Asseco Lithuania, obtained ISO 14001:2015 Environmental Management System certification. According to it, procedures have been introduced in the organization to manage environmental aspects and to prepare for accidents and response actions. Among the most important of these are:

- use of natural resources and materials such as water, paper, etc. and selection of suppliers,
- use of energy resources,
- atmospheric and water pollution,
- generation of hazardous and non-hazardous waste,
- disturbances such as electromagnetic radiation, ergonomic factors, noise,
- aspects of products and services such as electronic equipment waste etc.,
- fire and its negative impact on the environment: atmospheric pollution, soil contamination,
- oil spill and its negative impact on the environment: soil contamination,
- accident (injury or death) and their possible impact.

Designated employees of the company are required once a year to review and evaluate such aspects in terms of their impact on the environment and related parties, legal requirements, requirements of related parties, accidents or the possibility of their occurrence, the importance of the aspect, etc. After defining and evaluating them, goals and tasks for environmental protection are established: environmental monitoring, responsible waste management by transferring waste to specialized entities, instruction and training of employees. In turn, the list of threats is reviewed and updated as necessary. Risks are tracked as part of an accident prevention and response plan, and employees are instructed on how to handle extreme situations.

Other examples of initiatives implemented by the Asseco Group companies with the objective to minimize their negative impact on the natural environment and climate include

- replacing vehicles with new ones that meet higher environmental standards and purchasing hybrid and plug-in vehicles,
- monitoring the use of company vehicles,
- purchasing higher efficiency equipment,
- monitoring water use to minimize water consumption, installing timers at water dispensers,
- periodic and timely inspections of air conditioning and firefighting equipment,
- installing controls to automatically stop operation of air conditioners after business hours,
- using energy-efficient lighting,
- using green cleaning products that contain fewer chemicals,
- reducing the use of disposable dishes and plastic bottles,
- provision of appropriate containers for waste segregation in company offices together with instructions for handling the selected waste fraction,
- resale of functioning equipment (laptops, computers, telephones) to employees, after the planned period of use, for further use, which extends their useful life and indirectly reduces the amount of waste generated and the need for raw materials necessary to manufacture new ones,
- introduction of digitization, electronic circulation of documents, invoices, use of electronic signatures to reduce paper consumption,
- taking action to increase the environmental awareness of employees, co-workers and external customers (e.g. training, own programs/actions on the benefits of using digital tools in different areas of life, participation in external programs/associations promoting digitalization processes).

In 2021, ASEE Group implemented the Environmental Policy to reduce greenhouse gas emissions. In addition, the Sustainability Team has been formed to support the policy's introduction.

As stated in this policy, ASEE Group aims to:

- reduce consumption of energy and natural resources,
- contribute to managing the climate crisis by reducing greenhouse gas emissions,
- increase the proportion of energy consumed from renewable sources,
- protect the local environment.

As a result of this new policy, each local ASEE Group company has designated a "Sustainable Development Specialist" responsible for the local implementation of the environmental policy.

In 2021, the Asseco Group companies were not penalized for violating environmental regulations.

Table 11. Number of penalties for non-compliance with environmental laws and regulations in 2021

Total number of environmental penalties
0

EU taxonomy

The EU taxonomy is a classification system for environmentally sustainable economic activities.

According to:

- Article 8 of the Regulation 2020/852 of the European Parliament and of the Council of June 19, 2020 on establishing a framework to facilitate sustainable investment (Regulation 2020/852),
- EU Commission Delegated Regulation 2021/2139 of June 4, 2021 establishing technical eligibility criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation, and whether that economic activity does not cause serious harm to any other environmental objective (Technical Eligibility Criteria),
- EU Commission Delegated Regulation 2021/2178 of July 6, 2021, supplementing Regulation 2020/852 by clarifying the content of the presentation of information on environmentally sustainable business activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU, and specifying the method to comply with this disclosure obligation (Disclosure Regulation),

the parent company of the Asseco Group, Asseco Poland, has analyzed the business activities conducted by the Group in 2021 with respect to the Taxonomy, and presented below its key ratios for the proportion of turnover, capital expenditures, and operating expenses related to the activities qualified for the Taxonomy and those not qualified for the Taxonomy.

Analysis of Taxonomy Eligible Activities

Asseco Poland has analyzed all of the Group's business activities in relation to those identified in the Taxonomy for the first two environmental objectives to determine which of them may contribute significantly to climate change mitigation or adaptation.

The analysis was based on the descriptions of eligible activities contained in the Technical Eligibility Criteria, following a comprehensive review of the Group companies' operations, with participation of experts in ESG, controlling and reporting areas of Asseco Poland.

Values of key indicators

Asseco Poland calculated the key indicators for the Group in accordance with the Disclosure Regulation based on its processes, existing reporting systems and the adopted assumptions.

To calculate the portion of revenues, capital expenditures and operating expenses that qualify for the Taxonomy, the Company used the methodology described in Appendices 1 and 2 of the Disclosure Regulation. Activities qualified based on the Technical Eligibility Criteria but not material in 2021 in terms of revenues, capital expenditures or operating expenditures are not included in the indicators.

Key performance indicators related to turnover

Table 12. Percentage of turnover qualifying for the Taxonomy

Business	Turnover [PLN thousand]	Share in turnover [%]
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	10 662 595	74%
8.1. Data processing; web site management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	3 835 455	26%
Total (A+B)	14 498 050	100%

The ratio of the proportion of revenues related to the activities qualified for the Taxonomy was calculated by dividing the total revenues from the activities qualified for the Taxonomy by the operating revenues as defined in Note 5.1 of the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021".

Due to the transitional nature of the disclosures for 2021, including the lack of a comparative period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been disclosed:

- a quantitative breakdown of the numerator to illustrate key drivers of change in KPIs during the reporting period, such as contract revenue, rental revenue, or other revenue sources,
- amounts related to business activities consistent with the Taxonomy conducted for the Group companies' own purposes,
- qualitative explanations of the key elements of the changes in KPIs in relation to turnover during the reporting period.

Key performance indicators related to capital expenditures

Table 13. Percentage of capital expenditures (CapEx) eligible for the Taxonomy

Business	CapEx [PLN thousand]	CapEx share [%]
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	589 761	89%
8.1. Data processing; website management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	74 584	11%
Total (A+B)	664 345	100%

The ratio of the Asseco Group's capital expenditures related to the activities classified in the Taxonomy was calculated by dividing the total capital expenditures related to the activities classified in the Taxonomy by the total capital expenditures recognized in the "Consolidated Financial Statements of the Asseco Group for the Year Ended December 31, 2021", calculated according to the definition of the Taxonomy, according to which the total investments include an increase in:

- property, plant and equipment ("Property, plant and equipment" – Note 6.1 to the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021"),
- expenditures for research and development projects ("Software and licenses generated internally" – explanatory note 6.2 to the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021"),
- expenditures for other intangible assets (other 'Intangible assets') – explanatory note 6.2 to the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021"),
- right-of-use assets ("Right-of-use assets" – explanatory note 6.3 to the "Consolidated Financial Statements of the Asseco Group for the year ended December 31, 2021").

Due to the transitional nature of the disclosures for 2021, including the lack of a comparison period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been disclosed:

- significant changes that occurred during the reporting period with respect to the implementation of capital expenditure plans,

- the quantitative breakdown at the aggregate level of economic activity of the amounts included in the numerator,
- a qualitative explanation of the key elements of the changes in capital expenditure KPIs during the reporting period.

Key performance indicators related to operating expenses

Table 14. Percentage of Operating Expenses (OpEx) eligible for Taxonomy

Business	OpEx [PLN thousand]	OpEx share [%].
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS	439 239	85%
8.1. Data processing; web site management (hosting) and related activities.		
8.2. Activities related to software, computer consultancy and related activities.		
B. ACTIVITIES THAT DO NOT QUALIFY FOR SYSTEMATICS	76 515	15%
Total (A+B)	515 745	100%

As defined in the Disclosure Regulation, operating expenses considered for the purpose of calculating the Group's operating expense ratio related to eligible activities, defined as eligible operating expenses in the numerator of the ratio and total operating expenses in the denominator, include:

- non-capitalized costs related to research and development,
- building repair work,
- short-term rentals,
- maintenance and repair,
- any other direct expenses related to the day-to-day operation of fixed assets by the business or a third party contracted to perform activities necessary to ensure the continued and efficient operation of those assets.

As defined by the Disclosure Regulation, expenses for energy, among others, have not been taken into account as they are not direct expenses related to the day-to-day operation of property, plant and equipment.

The ratio of the Asseco Group's operating expenses related to qualifying activities was calculated by dividing the operating expenses related to qualifying activities described in the business analysis by the sum of operating expenses corresponding to the above definition.

Due to the transitional nature of the disclosures for 2021, including the lack of a comparative period and the lack of reporting on the alignment of activities with the Taxonomy, the following qualitative information has not been disclosed:

- a quantitative breakdown of the numerator to illustrate the key drivers of change in KPIs for operating expenses during the reporting period,
- qualitative explanations of the key elements of the changes in KPIs for operating expenditures during the reporting period,
- other expenses related to the day-to-day operation of property, plant and equipment, which are included in the calculation of operating expenses in both the denominator and numerator.

Significant risks identified in the area of environmental issues

Risk of non-compliance with regulatory requirements

The most significant environmental risk identified in the Group companies is the risk of non-compliance with legal requirements applicable in the territory. Numerous and frequent legislative changes in individual countries where the Asseco Group is present make this aspect of its operations very important.

The level of risk is minimized by identifying legal and other requirements on an ongoing basis, monitoring implementation, compliance and taking corrective and improvement actions.

Risk of significant increase in electricity prices

The Asseco Group employees work primarily with electronic devices that require electricity from external suppliers. A significant increase in electricity prices in the countries in which the Group's companies operate may result in a commensurate increase in the cost of doing business for those companies.

The Group companies manage the risk by analyzing their energy needs on an ongoing basis and possibly reducing energy consumption by gradually replacing old energy-consuming equipment with energy-saving devices, as well as by signing long-term contracts with electricity suppliers, which guarantees stable energy prices in the long term.

Risk of poor waste management

Due to the nature of its operations, the Group does not generate a large amount of production waste. The main types of waste generated by the Asseco Group are municipal waste and electrical and electronic equipment. Regardless of the scale of generation, there is a risk of mismanagement.

The Group minimizes the above risk by strictly applying and enforcing internal regulations and legal requirements in this respect, as well as by cooperating with operators holding the relevant permits for waste processing.

5. ISSUES CONCERNING RESPECT FOR HUMAN RIGHTS

Human rights belong to every person, and their source is the inherent dignity of the human being.

As employers, producers and contractors, all organizations, including capital companies, are required to respect human rights without exception. Wherever these rights may be violated, however, companies should take appropriate steps to change the situation and avoid profiting from disregard of these rights.

The Asseco Group has not adopted a uniform policy on respect for human rights, which results from its federation model of cooperation giving the Group companies considerable autonomy in adopting internal regulations. Furthermore, due to the territorial dispersion of the Asseco Group companies, they are subject to various legal regimes with specific and territory-specific solutions to address human rights issues.

It is a general principle of the Asseco Group to respect and observe human rights, including such issues as the right to freedom of association, right to safe working environment, prohibition of discrimination, prohibition of child labor, and prohibition of forced labor. Violation of any of the above-mentioned principles by the Asseco Group companies would not only violate the law, but would also violate the basic values by which the Group is guided.

In 2021, no human rights violations were reported at the Asseco Group.

Table 15. Cases of discrimination in 2021

Total number of confirmed cases of workplace discrimination
0

Significant risks identified in the area of respect for human rights

Risk of violation of human rights in the Group

As in any large organization, also in the Asseco Group there is a certain risk of violation of human rights, especially to the extent such violation could be caused not by the organization itself, but by its employees. Such risks can materialize through violations of dignity or manifestations of discrimination. A situation of human rights violation within the Group would have negative reputational effects, both inside and outside the organization.

The Group manages risk by ensuring clear and transparent rules of conduct for its employees and introducing regulations to counter possible human rights violations.

Risk of human rights violations among the Group's suppliers

Despite the assurance of internal regulations guaranteeing respect for human rights in the individual companies comprising the Group, there is a risk of violations of these principles among suppliers. The use of human rights abusers would have a negative reputational impact on the Group and could also affect the morale of its employees.

6. ANTI-CORRUPTION ISSUES

The Asseco Group does not have a uniform policy on corruption prevention, which results from the federation model of cooperation within the Group. Due to territorial dispersion – companies of the Asseco Group operate in various legal, social, and cultural environments – no central anti-corruption policies have been established at the Group level.

Companies have their own practices in this area, which is the most efficient solution. Preventive and control activities in the field of anti-corruption are implemented at various levels of the organization and are necessary to ensure the proper functioning of companies. Examples include adoption and implementation of codes of ethics, policies anti-corruption, fair competition or conflict of interest policies, as well as promoting high market and ethical standards in business operations, conducting training for newly hired employees, cyclical training for employees from sales and purchasing departments and dedicated training for managers. In companies with internal audit departments, cyclical audits are also conducted with regard to the correctness of the agreements concluded by the companies.

For example, at Asseco Poland the anti-corruption policy is regulated by the: Bylaws of the Supervisory Board, Bylaws of the Management Board, Code of Ethics and Business Conduct, Compliance Policy, Vademecum on Counteracting Corruption and Conflict of Interest, Bylaws of Obligations of a Listed Company, and Purchasing Policy. Anti-corruption prevention and control activities are implemented at various levels of the organization as necessary to ensure its proper functioning. According to the Code of Ethics and Business Conduct, Asseco Poland does not accept taking or granting illicit benefits, any form of extortion or corruption, or illegal trading in money. Care is also taken to ensure that ethical standards are met by employees from the moment they are hired. Training is provided in this area during the adaptation block for newly hired employees and associates. Asseco Poland has also implemented communication channels dedicated to reporting violations, including those related to corruption and conflict of interest. The implemented anonymous whistleblowing channel provides full protection of the reporting person from negative consequences of the report and can be used by all employees, colleagues and third parties. The procurement process was designed to ensure transparency in supplier selection. Documents defining the rules of cooperation with suppliers have been implemented, including, among others, principles of purchase ethics and rules of supplier qualification, as well as General Terms and Conditions of Purchase. According to them, suppliers commit to act in accordance with the principles of fair competition and observe good business practices.

An example of a group of companies within the Asseco Group that has an extensive and implemented anti-corruption policy is the Formula Systems Group. It has a group-wide adopted code of ethics, an insider trading policy, and other policies and procedures to adequately monitor and prevent corruption. The Formula

Group's activities in this area include distribution and dissemination of anti-corruption regulations, confirmed by a statement that each employee has read them, internal whistleblowing procedures, as well as other activities in this area.

Sapiens updated its code of ethics and anti-corruption policy in 2021, and specific training on these topics is planned for 2022. In addition, the Company has implemented a whistleblower procedure and appointed a contact person to clarify any concerns related to the Code of Ethics.

In turn, in Asseco Central Europe, emphasis is placed on compliance with the principles of the Code of Ethics, which thoroughly explains the issues related to fair competition, fair business practices, anti-trust regulations, corruption and bribery. The Code also systematizes procedures for whistleblowing and protection from retaliation. Familiarization with the code of ethics is part of a new employee's induction package.

Another example of implementing anti-corruption procedures is the Asseco South Eastern Europe Group. It is governed by an anti-corruption policy that applies to all companies that make up the ASEE Group and includes a broad definition of employees (including consultants, contractors, agents). Bribery and corruption are broadly defined and also include issues of unauthorized gifts and expressions of hospitality. Permitted gifts and gratuities must meet criteria related to value, purpose and prior approval of the authorized person. Accepting cash in any amount (or its equivalent in the form of coupons) is prohibited. Information on gifts/invitations offered or accepted by an employee is provided to the unit's Finance Director, who maintains a record of all invitations or gifts and reports it quarterly to the Group Finance Director. Employee participation in annual anti-corruption training is mandatory and includes new employees as part of the onboarding process. In addition to the anti-corruption procedures, there is also a conflict of interest policy that requires all employees of local companies to report information about potential conflicts of interest. For local unit directors, this issue is also addressed in the articles of incorporation and management board service agreements. The Group also has a fair competition policy, which includes provisions on preventing activities that may be considered unfair competition.

In one of the ASEE Group companies, in the Romanian branch, a case of corrupt activities was identified in 2021. The notice was filed with the Anti-Fraud Office in Bucharest. Disciplinary proceedings were initiated to confirm the validity of the corruption allegations. After conducting it, it was determined that between 2015 and 2019, certain unauthorized gift certificates were sent by a third party directly to a company employee. As a result of the disciplinary proceedings, the violation was ordered to be punished in accordance with the provisions of the Internal Regulations, the Company Collective Agreement and taking into account the provisions of the Anti-Corruption Policy.

Table 16. Cases of corruption in 2021

Total number of confirmed corruption cases
1

Significant risks identified in the area of counteracting corruption

Corruption risks

Operating within an extensive organizational structure with a relatively wide range of competencies of individual organizational units carries the risk of incidental occurrence of corrupt events. Employees of purchasing and sales departments are particularly exposed to incidents in this area, as they are in direct contact with representatives of external entities, who may achieve certain material benefits through cooperation with the Group. Such an occurrence could have a negative impact on the Group's image and may hinder future business relations, as well as result in a direct economic loss if the Group concludes a contract on non-market terms.

The Asseco Group manages the risk by appropriate selection of employees working in various positions, as well as by appropriate monitoring activities performed by the internal departments responsible for this area in individual companies. All employees receive regular anti-corruption training. Particular attention is paid to issues of prevention of bribery, as well as rules of conduct in case of occurrence or suspicion of such a situation.

The Management Board Members' signatures to the Asseco Group's report on non-financial information for 2021:

Adam Góral
President of the Management Board

Andrzej Dopierała
Vice President of the Management Board

Krzysztof Groyecki
Vice President of the Management Board

Marek Panek
Vice President of the Management Board

Paweł Piwowar
Vice President of the Management Board

Zbigniew Pomianek
Vice President of the Management Board

Karolina Rzońca-Bajorek
Vice President of the Management Board

Sławomir Szmytkowski
Vice President of the Management Board

Artur Wiza
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